

Report on

CAPITAL INVESTMENT

and

STATE ASSETS

In The

Commonwealth Of Massachusetts



2007 - 2008

Joint Committee on Bonding, Capital Expenditures and State Assets

Senator Mark C. Montigny, Chair
Representative David L. Flynn, Chair



A Message from the Chairmen

This report will detail the capital-related needs of the Commonwealth of Massachusetts and discuss other capital-related issues in the State. We hope this report will be a useful source for legislators and other parties interested in policy issues affecting the Commonwealth. Much of the information contained in this report is based on testimony by agency heads at this year's annual public capital hearings.

We would like to thank all the agency heads and their staff for making this year's annual capital hearings a success. Pertinent and useful information was provided to the Committee. The information shared will greatly benefit members of the legislature. We would also like to thank the members of the Joint Committee on Bonding, Capital Expenditures and State Assets for their active participation. If you have any questions about the information contained in this report, please do not hesitate to contact one of us. Thank you.

Sincerely,

Senator Mark C. Montigny, Chair

Representative David L. Flynn, Chair

*Joint Committee on Bonding, Capital Expenditures, & State Assets
2007 - 2008 Members*

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Joint Rule 1.F of the Senate and House of Representatives, 2007-2008 legislative session, relative to the responsibilities of the Committee:

1.F: The Joint Committee on Bonding, Capital Expenditures and State Assets shall review all legislation providing for the giving, loaning or pledging of the credit of the Commonwealth (see Article LXII of the Amendments to the Constitution, as amended by Article LXXXIV). Said committee shall be responsible for evaluating such legislation and determining the appropriateness of enacting legislation containing increased bond authorization for the Commonwealth. The committee shall periodically review and hold open public hearings, accepting oral and written testimony on the status of the bonds and notes of the Commonwealth, including 1. general obligation debt; 2. dedicated income tax debt; and 3. special obligation debt. The committee shall also, in its continuity study of the state's bonding practices, review the Commonwealth's liabilities relative to (a) state supported debt; (b) state-guaranteed debt; and (3) indirect obligations.

Any bill providing for borrowing for new projects, and requiring the Commonwealth to issue bonds for such purpose, shall, prior to its reference to the committee on Ways and Means, be referred to the committee on Bonding, Capital Expenditures and State Assets for report on its relationship to the finances of the Commonwealth. A measure may initially be referred to another joint committee with jurisdiction over the subject matter before being referred to the committee on Bonding, Capital Expenditures and State Assets.

The joint committee shall consult with the various agencies of the Executive branch and the office of the Treasurer and Receiver-General relative to project expenditures, availability of funds, the sale of new bonds and the resultant debt obligations, federal reimbursements and other related funding and bonding issues.

The joint committee on Bonding, Capital Expenditures and State Assets shall be authorized to conduct hearings relative to the statutory authority of the Executive branch and the Treasurer and Receiver-General in the issuance and sale of bonds and notes and the expenditure of capital funds by the various agencies and authorities of the Commonwealth. The committee shall determine whether such laws, administrative regulations and programs are being implemented in accordance with the intent of the General Court. The committee shall be authorized to make recommendations for statutory changes and changes in the Constitution which would grant discretion to the Legislature over the allotment and expenditure of fund authorized by capital appropriations.

The committee on Bonding, Capital Expenditures and State Assets shall be authorized to report to the General Court from time to time on the results of its hearings and to file drafts of legislation and proposals for amendments to the Constitution necessary to carry its recommendations into effect.

Messages from the Governor setting terms of bonds and notes, or for the de-authorization or authorization of bonds and notes shall be referred to the committee on Bonding, Capital Expenditures and State Assets.

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Chapter One

*Overview of Capital Planning and Spending
2007-2008*

INTRODUCTION AND OVERVIEW OF STATE BORROWING, CAPITAL INVESTMENT AND SPENDING

Introduction

The 2007-2008 legislative session saw the implementation of a number of changes in the state's capital planning process. For the first time in five years,¹ the Executive Office for Administration and Finance developed and published, in August 2007, a five year capital spending plan for fiscal years 2008 through 2012. In December 2008, the administration published an updated five-year capital spending plan for the period FY2009-2013. During this time, the administration also increased the annual capital spending limit (commonly known as the "bond cap"), instituted procedures in conjunction with the state treasurer to issue bonds in advance of spending, refinanced contract assistance and lease finance obligations and established a debt defeasance trust fund to reduce interest payments on higher interest rate debt.

Patrick Administration's Response to Bonding Committee Recommendations

Some of the administration's initiatives are consistent with some of the recommendations previously made by this Committee, most recently in the Committee's 2006 Report on Capital Investment and State Assets. In its Five-Year Capital Investment Plan published in August 2007, the administration addressed each of the 9 recommendations pertaining to capital planning and spending, generally agreeing with the Committee's recommendations.² Some of the specific recommendations the administration adopted are the implementation of a five year capital spending plan, the inclusion of all debt obligations within the plan and spending limit, the de-authorization of older and unused bond authorizations, increased capital funding for open space protection and preservation and an increased annual capital spending limit.

A discussion of some of the Bonding Committee recommendations and responses immediately follows. The administration's responses to other recommendations, such as the capital plan, appear later in this section.

Inclusion of all debt in capital plan: The administration has refinanced several contract assistance and other indirect debt obligations by issuing general obligation refunding bonds to replace them. A substantial amount of project costs had been excluded from the plan and bond cap by providing for indirect financing or contract assistance such as the Route 3 North reconstruction project, Foxborough stadium area improvements and Chelsea MITC. As further discussed below, these and other indirect obligations were refinanced as less expensive state general obligation debt pursuant to Acts of 2007, chapter 27, section 11 and Acts of 2008, chapter 304, section 15.

¹ The last five year capital plan pre-dated the Romney administration. Under Gov. Romney, no complete or detailed capital spending plan was ever published.

² See, FY2008-2012 Five-Year Capital Investment Plan, p. 10 and Appendix B. See, also Appendix J to this report, which contains the summary of Bonding Committee recommendations that appeared in the 2006 Bonding Committee report.

Use of surplus revenues for capital needs when possible: the administration proposed to appropriate \$40 million of surplus to defease higher interest rate debt thereby freeing up capacity to issue additional lower rate bonds. While the state completed a transaction to defease \$40 million of bonds in FY2007, further transactions of this kind are not possible because of the state's current fiscal situation.

Transfer of capitalized personnel costs to the operating budget: The administration and legislature have made efforts during the 2007-2008 session to address the problem of paying personnel from the capital budget. Over the years, a large number of employees, mostly MassHighway personnel, were transferred from the operating budget to the capital budget. About 1400 MassHighway employees are now paid with borrowed funds. Such capitalized personnel costs currently use \$250 million of the annual capital budget, displacing other, direct capital spending needs. Furthermore, paying personnel with bond money adds 60% to salary and benefit costs.

The administration has taken some steps to return bond-funded personnel to the operating budget. It proposed to include some funding for this purpose in its FY2008 proposed operating budget.³ The administration also included \$250 million in the General Government Capital Needs Bond Bill for general equipment purchases by many state agencies that have been made from operating funds. The administration's goal in allocating this amount from the capital budget was to make a similar amount available for personnel from the operating budget.

Chapter 303 of the acts of 2008, the second of the transportation bond bills enacted in 2008, requires the Secretary of Transportation to develop and submit a detailed plan, including a timeline and funding schedule, for the transfer of 80% of transportation personnel from the capital to the operating budget. The FY2009 operating budget includes a requirement that the administration move up to 652 personnel from the capital to the operating budget by the end of FY2012.

Economic conditions have hindered the state's efforts to implement these changes. The administration recently announced that it is delaying by one year the full implementation of its plan to transfer most MassHighway employees to the operating budget, saying that "Funding is not available in FY2010 to support the transfer."⁴ The current MassHighway plan proposes to move 154 employees to the operating budget in FY2011 and 324 more in FY2012.

Devote more capital funds current and deferred capital maintenance: The administration has pledged to work with the Committee to develop a proposal to address the capital maintenance problem and has included funding in various of the 2008 bond bills that will be used for deferred maintenance.

De-Authorize older and unused capital accounts: In several of the bond bills enacted during 2008, \$280 million of older capital accounts were de-authorized.

³ No such funding, however, was included in the final FY2008 budget.

⁴ State House News Service, State Capitol Briefs, December 30, 2008

Five-Year Capital Investment Plan and increased administrative capital spending limit

In August 2007, the Patrick Administration published its “Five-Year Capital Investment Plan: FY2008-2012.” This was the first five-year plan developed and published since prior to the Romney administration. The plan included project-level detail for fiscal year 2008 and spending caps allocated by agency for the subsequent four years of the plan. The plan was based on the increase of the cap on state bond funded capital spending to \$1.5 billion for FY2008. Before the increase, the limit was \$1.25 billion and had not been increased since 2002. The bond cap had not kept pace with the substantial rise in construction costs since it was last increased.

On December 17, 2008, the administration released its five year capital spending plan for FY2009-2013. The plan was delayed because of the significantly altered fiscal and economic climate. The administration took this situation into account in developing a five-year capital plan that was scaled-back from the level of spending originally contemplated in last year’s capital plan and the administration’s Debt Affordability Analysis.

The FY2008-2012 capital spending plan contemplated annual increases in the bond cap of \$125 million each year through FY2012, when the bond cap would reach \$2 billion. The planned increases were based on the administration’s July 2007 “Debt Affordability Analysis.”⁵ The increased amount of bond cap would enable the state to better address its substantial capital needs while keeping debt service within an administratively established limit of 8% of budgeted revenues. The statutory limit is 10%.⁶

As mentioned above, the administration’s increased capital spending plan has been curtailed. The earlier analysis assumed a historically conservative 3% annual growth in revenues. The revised analysis assumes zero percent revenue growth for FY2009 and FY2010 and a 3% annual rate for FY2011-2013. In order to keep the amount of total annual debt service as a percentage of budgeted revenues below the 8% limit, the amount of the annual increases in bond cap were reduced. The bond cap, which was to be increased to \$1.625 billion for FY2009, will instead be \$1.575 billion. For FY2010, the cap will be \$1.6 billion compared with the originally planned \$1.75 billion. For fiscal years 2011 through 2013, the bond cap will increase by \$100 million each year instead of the \$125 million annual increases.

Although the FY2009 bond cap was \$1.5 billion, actual spending from state bond funds for the year was \$1.319 billion. Part of the unused portion of the 2008 bond cap, about \$340 million, will be allocated to the current and subsequent fiscal years. Of this amount, \$150 million will be added to the FY2009 cap, for a total FY2009 bond cap of \$1.727 billion. The remaining amount will be allocated to the FY2010 and FY2011 bond caps. The summary of the FY2009-2013 plan, attached as Appendix B, shows planned capital spending by investment category from all sources, including state bonds, federal grants and other third party sources. Appendix C is the capital spending plan for FY2009 from all sources.

⁵See, “Debt Affordability Analysis,” Executive Office for Administration and Finance, July 2007.

⁶ Mass. Gen. Laws, c.29, §60B

In addition to the five year plan, the administration established a separate plan to address the structurally-deficient bridge problem. This plan will be funded separately by gas tax revenue bonds and grant anticipation notes (GANs) and will not be affected by the reductions in the regular capital plan; the bridge program will proceed with the full amount of planned spending as shown in Figure 1 appearing on page 47 of the section on Transportation in this report. The figure shows the projected annual spending for the bridge program for FY2009 through FY2016 and the amount of GANs and gas tax bonds expected to be issued in each year to fund the program.

Another factor affecting the state's capital spending plan is what federal assistance may become available through a federal economic stimulus bill. As of the time of Governor Patrick's press conference announcing the new capital program on December 17, 2008, it was still unknown what the scope of available federal assistance might be. The administration, however, is making preparations in order to promptly put federal funds to work if and when available. The administration is developing a preliminary list of projects that could start work within 180 days, as is likely to be required. Various task forces have been established and are further evaluating the readiness of these projects as well as adding other projects that may be ready to proceed within this time frame.

The administration's capital plan makes some significant changes in several areas of spending such as housing and higher education. The bond cap for housing programs was increased from \$128 million in fiscal year 2007. The FY2009 bond cap for housing is \$168.5 million and the total FY2009 capital funding for housing is \$193 million. This compares to the FY2008 bond cap of \$150.5 million and all-sources funding of \$170.5 million. The housing bond cap includes an increase in the amount of money that was available under the prior administration's plan for public housing modernization, which was \$50 million. The FY2008 plan provided \$90 million for modernization and the FY2009 plan provides \$104 million, including \$5 million from the Affordable Housing Trust Fund. This increase will help to address a large backlog of required repairs and improvements to state-owned public housing units that grew significantly under earlier administrations. The recently enacted \$1.275 billion Housing Bond Bill provides the increased funding for housing.⁷

The plan includes a significant increase in capital funding for the public higher education system, including the various University of Massachusetts campuses and the state and community colleges. The plan would increase the state's investment in public higher education infrastructure from 3% of the capital budget, an amount placing Massachusetts near the bottom of the 50 states for investment in public higher education, to 10% of the capital budget, an amount putting this state more on a par with the 50 state average of 12%.⁸ The new capital plan for higher education is funded by \$2.1 billion in new authorizations for the Department of Higher Education and the University of Massachusetts system contained in the recently enacted Higher Education Bond Bill.⁹ While the FY2008 and 2009 bond caps are significantly lower than

⁷ Acts of 2008, chapter 258

⁸ Commonwealth of Massachusetts FY2008-2012 Five-Year Capital Investment Plan, August 2007, p. 23.; Based on National Association of State Budget Officers, "2005 State Expenditure Report."

⁹ Acts of 2008, chapter 258

those shown in the FY2008-2012 five year plan, which were \$115 million and \$118 million respectively, the FY2009-2013 plan substantially increases the spending caps for FY2010-2013 with a total of \$720 million of bond-funded spending provided for the five year period (\$746 million including all funding sources). The bond cap total for the five years is about \$30 million less than the previous five year plan, reflecting the general downward adjustment of spending under the revised capital spending plan.

Other significant changes include increases in the capital budget for open space protection and capital improvements to DCR parks and facilities.

Bonding in advance

In 2007, the administration proposed a change in procedure relative to spending from capital accounts. The proposal involved changing the state's long time practice of "bonding in arrears." To "bond in arrears" means that the state first spends money for authorized capital accounts using operating funds. The state later goes to market with a new bond issue, the proceeds of which are used to reimburse the operating fund account for prior capital expenditures. The practice of issuing bonds after spending from bond accounts differs from that employed in most other states.

In 2007, the state issued \$1.24 billion of bonds to fund capital accounts for the year ahead. Thus, the state had the bond proceeds available during the year to pay expenditures from capital accounts instead of using operating funds. The state was able to earn income on the bond proceeds during the time it held the funds prior to disbursement. While the state's interest cost for the \$1.24 billion issue was 4.75%, the state was able to invest the bond proceeds at 5%, resulting in a \$35 million "carry" or benefit from the interest rate spread.

In order to fully implement this new procedure, the state amended the statute governing Commonwealth bonds to allow the state treasurer to allocate proceeds of a bond issue to one or more bond authorization acts not specified at the time the bonds are issued, including bond authorization acts enacted after the time the bonds are issued so long as term limitations in the substituted bond acts and the governor's term recommendations are consistent with the bond terms in the consolidated bond issue.¹⁰

The state is no longer able benefit by bonding in advance because of current debt market conditions. Short term rates that the state could earn are now far lower than the interest cost of a long term bond issue.

Defeasance and refunding of contract assistance and lease finance obligations

The Immediate Needs Bond Bill enacted in March 2007 provided for restructuring of state debt and capital obligations in two respects. The legislation provided for the refunding, or refinancing of certain contract assistance and lease finance obligations.¹¹ These are debt obligations of the Commonwealth but are structured so that some other entity is the borrower even though the state actually pays the debt service. Among the items refunded are the state's

¹⁰ See, Acts of 2007, c.140, §18, amending Mass. Gen. Laws, c.29, §49

¹¹ See, Acts of 2007, c.27, §11.

contract assistance obligations to pay the debt service on the Foxborough Industrial Development Authority's bonds that were issued in connection with improvements to infrastructure around the new Patriots Stadium¹² and the lease finance obligations relating to the Route 3 North highway project.¹³ In addition, the General Government Capital Needs Bond Bill enacted this year amended the defeasance provision in chapter 27 to add two additional items, the Chelsea data center lease finance obligations and the Plymouth County Jail financing obligations.¹⁴

Another section of the Immediate Needs Bond Bill provided for the refinancing of certain appropriations for capital projects included in several supplemental appropriation bills.¹⁵ These capital items, which were to be paid for with operating funds, would instead be funded from the proceeds of \$243 million of general obligation bonds. The cash that would have been used for the supplemental appropriations will instead be used to defease higher interest rate debt.

In May 2007, the Treasurer refunded certain outstanding bonds resulting in net present value savings of \$47 million.¹⁶ Also in May 2007, the Treasurer entered into the defeasance transaction provided for in the 2007 Immediate Needs Bond Bill, which produced a net present value savings of \$9.5 million.¹⁷ Finally, in November 2007, the Treasurer issued refunding general obligation bonds to refinance the Route 3 North lease finance obligations, also as provided in the Immediate Needs Bond Bill.¹⁸

New bond legislation enacted in 2008

The second year of the legislative session saw the enactment of a number of new bond bills. The total amount of new capital spending authorizations passed into law in 2008 is \$16.83 billion. The total amount of new bond and other debt authorizations¹⁹ is \$15.16 billion. The difference between the spending authorizations and the borrowing authorizations, \$1.67 billion, is due mainly to federal highway grants, which total \$1.89 billion and fund a substantial portion of transportation capital spending authorizations for interstate highway projects and federally-aided state highway projects.

The following is a brief description of the bond bills enacted during 2008. Appendix F to this report provides detail of the particular accounts, projects and programs funded under these bills.

¹² See, Acts of 1999, c.16.

¹³ See, Acts of 1999, c.53, §6.

¹⁴ Acts of 2008, c. 304, §15, which amended Acts of 2007, c. 27, §11

¹⁵ See, Acts of 2007, chapter 27, §12.

¹⁶ Letter from Treasurer Timothy Cahill to House and Senate Ways and Means Committees dated June 12, 2007.

¹⁷ Letter from Treasurer Timothy Cahill to House and Senate Ways and Means Committees dated June 28, 2007.

¹⁸ Letter from Treasurer Timothy Cahill to House and Senate Ways and Means Committees dated November 25, 2008.

¹⁹ This number includes not only general obligation bond authorizations but \$1.876 billion of special obligation gas tax bond authorizations and \$1.108 billion of grant anticipation notes provided for in the structurally deficient bridge legislation, Acts of 2008, chapter 233

Broadband Bond Bill²⁰

This bill provides \$40 million in general obligation bond funding to leverage private investment to expand high speed internet access to unserved or underserved communities, primarily in the western part of the state. The program will be administered by the Broadband Institute established by this legislation. The Institute is created as part of the Massachusetts Technology Collaborative.²¹

Structurally Deficient Bridges Bond Bill²²

This bill provides funding for an accelerated bridge repair program. The program is designed to address repair needs for a large number of structurally deficient bridges over the next three years. The number of structurally deficient bridges would increase to 697 if funding were maintained at historical levels. Under this program, the administration expects to reduce this number to 450.

The accelerated funding of these projects is intended to reduce the costs of repair by avoiding further deterioration and a significant amount of inflation in construction costs. The legislation provides for the issuance of \$1.876 billion of special obligation bonds that will be funded by the state gas tax and \$1.108 billion of GANs that will be funded by a pledge of future federal highway reimbursements.

Environmental Bond Bill²³

The Environmental Bond Bill enacted this year provides a total of \$1.756 billion of general obligation bond funding for a wide range of projects and programs administered by the various agencies under the Executive Office of Energy and Environmental Affairs. The bill includes capital spending authorizations for such projects and programs as water resource protection, coastal protection, open space preservation and acquisition, agricultural preservation restrictions, park land acquisition, repair of DCR bridges and roadways, drinking water and waste water revolving loan funds and repairs and improvements to state parks and recreational facilities. These projects and programs are detailed in Appendix F to this report.

General Government Capital Needs Bond Bill²⁴

This bill provides capital spending authorizations for a variety of areas including health and human services, information technology, public safety, state buildings, certain economic development programs, court facilities, municipal library construction grants, jails and correctional facilities. The bill authorizes \$3.35 billion of new general obligation bond funds.

²⁰ Acts of 2008, chapter 231

²¹ The statutory name of MTC is Massachusetts Technology Park Corporation. This entity was established under Mass. Gen. Laws, chapter 40J, section 3.

²² Acts of 2008, chapter 233

²³ Acts of 2008, chapter 312

²⁴ Acts of 2008, chapter 304

Housing Bond Bill²⁵

As mentioned above, the \$1.275 billion Housing Bond Bill provides increased funding for public housing modernization. It provides \$500 million for public housing renovations and improvement over the next five years, or \$150 million each year as provided in the capital plan. The bill also provides capital spending authorizations for a number of other housing programs for the disabled, mentally ill and mentally retarded such as home modifications for the disabled, community-based housing for the mentally ill and mentally retarded, community based housing for the disabled and community based housing for disabled persons who are at risk of becoming institutionalized. The bill provides \$220 million to recapitalize the Affordable Housing Trust Fund, which provides additional or “gap” financing to supplement other funding sources for developers of affordable housing. A new program established and funded by this bill is a five-year demonstration program to develop and test new and cost effective revitalization methods for state-aided family and elderly housing. Other items include community development action grants and loans for the Housing Innovations Trust Fund. Another important item is \$100 million for the Capital Improvement and Preservation Trust Fund, which is used to preserve existing affordable housing by preventing reversion of units to market rate housing.

Higher Education Bond Bill²⁶

The Higher Education Bond Bill provides a total of \$2.19 billion for capital projects throughout the Commonwealth’s higher education system. The legislation authorizes \$1.19 billion for the state and community college system. This authorization specifies the projects and amounts that will be funded under a ten-year capital plan for higher education. The legislation also authorizes \$1 billion for the University of Massachusetts system. Like the state and community college authorization, this spending authorization earmarks specific amounts for designated projects at each of the UMass campuses. Earmarked projects for both UMass and the state and community colleges are listed in Appendix H to this report.

Life Sciences Bond Bill²⁷

Among other forms of assistance for the development and expansion of the life sciences industry in the Commonwealth, the Life Sciences Bond Bill provides \$500 million in general obligation bond-funded capital spending authorizations. The original bill filed by the Governor included a very general capital authorization that specified only that the funding was “for capital projects to be undertaken by the Life Sciences Center” and that such projects would be determined by the Life Sciences Center.²⁸ The legislation as enacted contains specific earmarks for a number of projects and programs.²⁹ These are discussed in more detail on page 54 of the report regarding economic development. In addition, please refer to Appendix I for a complete listing of the earmarks.

²⁵ Acts of 2008, chapter 119

²⁶ Acts of 2008, chapter 258

²⁷ Acts of 2008, chapter 130

²⁸ H.4234, section 3, item 7007-9037

²⁹ Acts of 2008, chapter 130, section 2B, 7002-0015

Transportation Bond Bills³⁰

The administration's Transportation Bond Bill was reported in two parts during the second year of this session. The first part of the bill to be enacted included a total of \$3.515 billion of capital spending authorizations.³¹ These authorizations provide money for federal interstate highways, federally-aided non-interstate highways, the state-wide road and bridge program, local roads and bridges and several major MBTA expansion projects. The spending authorizations are funded by \$1.623 billion of Commonwealth bond authorizations and \$1.892 billion of federal transportation aid.

The second portion of the Transportation Bond Bill included a total of \$1.362 billion of capital spending authorizations including an additional \$575 million for the state-wide road and bridge program, another \$350 million for local roads and bridges, \$50 million for economic development transportation projects, \$90 million for rail improvement projects, \$50 million for a Growth Districts initiative transportation program and a variety of smaller programs and projects.³² The authorizations are funded by \$1.445 billion of state bond authorizations.³³

Current debt market condition and issuance of Commonwealth debt

In order to fund the state's capital program in FY2009, the state needs to issue \$575 billion of new money³⁴ general obligation bonds.³⁵ Due to current conditions in the debt markets, however, the state faces new challenges in the debt markets.

According to the State Treasurer's office, the current state of the credit markets makes issuing debt much more difficult than it would be in more normal market conditions. Since the September general obligation bond issue, there was an upward shift in long term rates of about 100 basis points (equal to 1%). The true interest cost of the Treasurer's \$652.8 million September bond sale was 4.24%. As of late 2008, long-term rates were well over 5%.

Going to market for long term bond issues for the foreseeable future will entail careful planning in order to access debt markets on a favorable basis. The Treasurer's office said it is not possible to undertake competitive bond sales in this market because it is too expensive, partly due to the poor condition of most banks' balance sheets. Instead, the state needs to sell bonds by negotiated sales. As part of this process, the state needs to pre-sell substantial portions of the bond offering to retail buyers and "build a book" of sales at favorable rates; once this is

³⁰ Acts of 2008, chapter 86 and Acts of 2008 chapter 303

³¹ Acts of 2008, chapter 86

³² Acts of 2008, chapter 303

³³ The discrepancy between the spending authorization total and the bond authorization total is apparently due to elimination of some capital spending items in earlier versions of the bill. The amounts of the bond authorizations were not correspondingly adjusted.

³⁴ "New money" bonds are those that incur additional new bond debt of the commonwealth as opposed to refunding bonds, which are issued to essentially replace existing higher interest rate debt.

³⁵ The administration has made changes in the bond cap and capital spending plan in light of the current fiscal situation as discussed on page

accomplished, the banks will commit to a price for the bond issue. The state has also structured bond offerings by moving individual bond maturities into the highest demand years.³⁶

The state has experienced difficulty in accessing the market for short term borrowings to meet cash flow needs but has developed means to do so at favorable interest rates. After the September general obligation bond sale,³⁷ the Treasurer withdrew a proposed \$750 million bond offering because of unfavorable market conditions. In October 2008, the Treasurer instead issued \$750 million of short-term revenue anticipation notes. By working with Goldman Sachs and Citibank to develop a book of retail sales ahead of the issuance, the state was able to issue the notes at 2.2% compared with the long-term rates of 4 to 6%. State Treasurer Timothy Cahill said that this favorable rate indicates that investors “still see the Commonwealth as a very strong credit.”³⁸

In November 2008, the Treasurer issued \$544 million of refunding bonds to refinance indirect debt obligations incurred for the reconstruction of Route 3 North and the construction of the Chelsea Information Technology Center. During the course of the sale, the Treasurer’s office succeeded in lowering the bond yields and move bonds to shorter maturities where buyer demand was the highest. As a result, once the three day sale was completed, total debt service for the issue was \$13 million less than projected at the beginning of the sale.

During the first week of December 2008, the Treasurer issued \$350 million of BANs to meet capital spending needs through February 2009. The Treasurer issues BANs instead of long term bonds because of unfavorable interest rates in the long term debt markets. The funds were needed before the calendar year end to avoid a negative bond fund balance of \$200 million. The sale was made at a very favorable rate of 0.78%. According to the Treasurer’s office, the bond market suffers from an oversupply of bonds resulting from a large volume of portfolio sales by hedge and other funds, which previously accounted for 30% of the bond buying market. The Treasurer’s office will make preparations during January and February for a long term bond issue to replace the BANs by the March 5 maturity date.

The near disappearance of bond insurance is not expected to have much effect on the state’s issuance of debt. The state seldom purchases bond insurance in any case.

Commonwealth bond ratings

The three major bond rating agencies issued ratings in connection with the refunding bonds issued in November 2008. Each of their respective ratings was unchanged from prior ratings and all gave the state a stable outlook.

Fitch Ratings rated the new bonds at AA and outstanding Commonwealth bonds also at AA. The bond rating was based on Fitch’s assessment of the state economy as “fundamentally strong and wealthy” and “the state’s “conservative budgeting and sound financial practices.”

³⁶ State bonds are issued in serial form, meaning that a bond offering includes a range of bonds maturing in different years from very short term up to the maximum term of the bonds authorized.

³⁷ See, Official Statement dated September 4, 2008

³⁸ *State Cracks Frozen Market, Issues \$750 Mil in Short-Term Notes*. State House New Service, State Capitol Briefs, October 8, 2008

The assessment also took into account the state's high debt levels and the expectation that such levels will remain high.

Moody's Investors Service rated the November bond issue, as well as outstanding state general obligation bonds, at Aa2 based on past management of the 2001-2002 recession, "strong reserve levels rapidly replenished following draws during recession" and "recent years of healthy revenue growth." Of course, revenues have fallen since this November 17, 2008 rating. Negative factors cited by Moody, like Fitch's, included high debt ratios. Moody's also included consecutive years of structural imbalance in budgets, rising health care and pension costs and job levels that were lower than the peak before the 2001-2002 recession.

Standard & Poor's assigned the November bond issue and outstanding Massachusetts GO bonds a long-term rating of AA with a stable outlook, citing as positive factors strong reserve levels, high income and wealth levels, strong management and a deep and diverse economy. S&P cited the state's high debt burden and unfunded pension liabilities as the principal restraints on the state's bond rating.

Chapter Two

Capital Needs and Issues by Agency

EXECUTIVE OFFICE FOR ADMINISTRATION AND FINANCE

Early in the Patrick Administration, at the May 2007 capital expenditure hearings, Secretary of Administration and Finance Leslie Kirwan set forth some of the administration's objectives in carrying out the state's capital program. Among these objectives were improvements promoting health and safety and improvement and creation of infrastructure to support economic development and growth.

At that time Secretary Kirwan stated the principles that would guide the administration's pursuit of its capital plan objectives. Keeping in mind that the state's capital needs are greater than available resources, the Secretary said that the state would make fiscally responsible investments and keep debt to affordable levels.

Another guiding principle is the leveraging of other resources to maximize state capital investments. The methods include use of private funding, developing new state revenues and use of other public entities.

Addressing the problem of deferred maintenance was another principle mentioned by the Secretary. The past failure to adequately address the problem has resulted in a growing backlog of deferred maintenance needs.

A&F representatives said the administration would increase the availability of affordable housing funds by allocating \$22 million of the private activity bond cap.³⁹ This money would leverage another \$11 million of private investment. A&F also discussed an increase in the amount of chapter 90 grants⁴⁰ to \$150 million annually, compared to \$30 million previously, and the increase of funding for public housing to \$85 million annually, an increase of \$30 million per year.

Capital spending plan

At the 2008 capital expenditure hearings, Secretary Kirwan again stated that the capital program must be affordable and discussed the debt affordability analysis and five-year capital plan developed by A&F since the previous year's hearing. She indicated that the administration had received a positive response from the credit rating agencies on their approach. The Secretary said that the five year plan would increase transparency and noted that the administration implemented the plan on the recommendation of the Bonding Committee.

In 2008, the administration developed and implemented a five-year capital plan based on the debt affordability analysis. The plan was issued and published in August 2007 and was the first complete five-year capital plan to be developed since prior to the Romney administration. The

³⁹ Private activity bonds are tax-exempt bonds issued by a municipality or state to provide low-cost financing for projects undertaken by private entities but which serve a public purpose. Federal law imposes limits, known as "volume cap," on the amount of such bonds that may be issued at the state level each year for non-charitable organizations. A state's volume cap is determined by a formula based on population and a per person dollar amount. Massachusetts law authorizes A&F to allocate volume cap to non-charitable purpose projects by independent public entities including the Massachusetts Educational Financing Authority, the Massachusetts Housing Finance Agency and the Massachusetts Development Finance Agency.

⁴⁰ These are grants to cities and towns for costs of repair and maintenance of local roads and bridges.

goal of the debt affordability analysis is to keep the Commonwealth's yearly debt service below 8% of budgeted revenues.

In December 2008, the administration released the FY2009-2013 Five-Year Capital Spending Plan. The release of the plan was delayed due to the changing fiscal situation of the Commonwealth and the resulting need to adjust the capital plan to remain within the 8% of budgetary revenue limit. In the original debt affordability analysis, A&F had conservatively assumed annual budgeted revenue growth at 3% over the next five fiscal years. A&F, however, had to revise these revenue assumptions downward, basing its revised analysis on zero percent growth through FY2010 and 3% for FY2011-2013.

Appendix B sets forth the FY2009-2013 plan summary for bond-funded expenditures by major investment category as well as a plan summary showing the total spending allocations from all sources of funding. Appendix D includes a comparison of bond cap and all funding source spending for FY2008 and FY2009. Except for the accelerated bridge program spending plan, which is unaffected, the general five year plan reflects a reduction of bond cap increases as compared with the larger increases originally contemplated in the FY2008-2012 plan. The schedule of bond cap increases was changed in response to the current fiscal and economic climate.

Adoption of Bonding Committee recommendations

At the 2008 capital expenditure hearing, A&F Undersecretary Jay Gonzalez noted that the administration had adopted and implemented all of the Bonding Committee's 2006 Annual Report recommendations relative to bonding, capital planning and spending. Based on these recommendations, the administration refinanced indirect debt such as contract assistance resulting in a savings of millions of dollars. It also dedicated a portion of the capital budget to addressing deferred maintenance needs.

Capitalized personnel costs

Over the past 20 years or so, the state has shifted a large number of personnel from the operating budget to the capital budget. These transfers have occurred mostly during difficult fiscal times when such transfers have been used as a means of reducing budget items. Transportation accounts for by far the largest number of personnel moved to the capital budget. Approximately 1400 MassHighway employees are paid from the capital budget. Despite some efforts to return bond-funded personnel to the operating budget, a large number continue to be paid from borrowed funds.⁴¹

Paying personnel expenses with capital funds reduces the amount of money that would otherwise be available for badly needed improvements to the state's capital infrastructure. About \$250 million of the bond cap is used for personnel costs. In addition, paying salaries with borrowed funds adds about 60% to personnel costs.

⁴¹ A number of recent budgets have required submission of plans to return MassHighway employees to the operating budget but no progress has been made in this regard.

At the hearing, the Undersecretary Gonzalez discussed the administration's plans to reduce the number of personnel paid from the capital budget. These plans and the state's efforts to address the capitalized personnel problem are discussed in detail in Chapter One.

New capital initiatives

Some of the major initiatives discussed by A&F representatives at the May 2008 hearing include development of a master plan for state and county correctional facilities and open space preservation. Secretary Kirwan discussed the master planning process for correctional facilities, which is now being conducted by the Division of Capital Asset Management and Maintenance.⁴² She also indicated that the administration was making its greatest commitment ever to open space preservation and said the three major areas of focus are urban parks, natural habitat preservation and working farms. It remains to be seen what effect budget reductions at state agencies will have on these and other capital initiatives.

⁴² Please refer to the section on DCAMM on page 26 of this report for more detail about the master plan.

INFORMATION TECHNOLOGY DIVISION

In May 2007 and May 2008, the Committee conducted its annual oversight hearings with the Information Technology Division (ITD). ITD is a division of the Executive Office for Administration and Finance that supports the information technology needs of state agencies and the legislature and, with the exception of the Mass.gov website, does not serve the public directly.⁴³ ITD supports state agencies by developing, centralizing, connecting, and standardizing Commonwealth IT services. This includes facilitating cross-agency information sharing, reducing data storage redundancy and maintaining secure networks.

As information technology becomes increasingly important, there is a growing need to invest in existing Commonwealth systems, hardware, software, and infrastructure. ITD has established priorities to replace a number of aged systems and inefficient technologies. There are old mainframe systems that run or use outdated and incompatible software or hardware. These proprietary “legacy” systems are expensive to maintain and have insufficient support due to the dwindling number of individuals with the expertise needed to support these systems.

There are systematic redundancies across Commonwealth networks that can be consolidated by updating and linking networks. Investing in information technology also provides ways to make government more transparent because it can make more information readily available to the public about its operations and activities. Such investment also allows the public to interact and do business with the state online achieving efficiencies for both the users and the state. Finally, investment in information technology will make networks and databases more secure with newer software and improved firewall protection.

At the May 2008 hearing, newly appointed Assistant Secretary for Information Technology and Chief Information Officer Anne H. Margulies testified about ITD’s capital plan and funding needs and its ongoing and planned projects.

FY2008 Capital Plan

In the FY2008-2012 Capital Investment Plan it published in 2007, the administration stressed the importance of funding ITD to update systems and facilitate greater efficiencies and cost reductions. The administration believes that ITD was underfunded in prior years and estimated the project backlog at \$90 million. The administration proposed a four year investment in information technology of \$579 million, with about \$440 million coming from general obligation bond proceeds.

At the May 2008 hearing, Assistant Secretary Margulies discussed the capital plan and spending for FY2008. She said that ITD would spend the annual cap of \$67 million by the close of the fiscal year on June 30. This money is derived from “IT Bond III,” the information technology bond legislation enacted in 2002⁴⁴, and the Immediate Needs Bond Bill passed in March 2007.⁴⁵ The Immediate Needs Bond Bill authorized \$95 million to upgrade technology and provide

⁴³ <http://www.mass.gov/itd>.

⁴⁴ Acts of 2002, chapter 142 authorized \$300 million of general obligation bonds for information technology.

⁴⁵ Acts of 2007, chapter 27, section 2, item 1790-2015

“bridge funding allocations” for critical large projects until a longer term IT bond bill could be enacted.⁴⁶

The Assistant Secretary outlined the spending plan for the FY2008 capital funds. The \$67 million would be allocated for the following projects and purposes:

- To develop systems for the Department of Revenue’s Child Support Enforcement unit to enable it to collect unpaid child support obligations through income withholdings.
- To the various state agencies to develop and consolidate disaster recovery plans in a single system.
- To develop and maintain a single online system for contracts, billing and reporting to serve multiple health and human services agencies, numerous outside service providers and the many thousands of users of state human services.
- The implementation of the “800 MHz” wireless communications system for the State Police in western Massachusetts.
- A system to enable the Attorney General’s office to record and track all contacts with state residents for follow up and review.

FY2009 Capital Plan and New Bond Authorizations

During the May 2009 hearing, Assistant Secretary Margulies specified the major projects that were expected to be funded in the coming FY2009 capital spending plan and stressed that spending on these projects was contingent on the passing of the pending bond legislation for information technology. Since the time of the hearing, new bond authorizations for ITD have been enacted as part of the General Government Capital Need Bond Bill.⁴⁷

The bond legislation includes two ITD capital authorizations. The bill includes a general authorization of \$450 million to pay for information technology projects.⁴⁸ The authorization does not specify particular projects but will be used in part for several major projects in the capital plan for FY2009 and discussed below. The second capital authorization provides \$78 million to build a second active data center in western Massachusetts.

In December 2008, A&F published its new five-year plan for FY2009-2013. The bond-funded spending cap for information technology in FY2009 is \$87 million as compared with \$44.5 million for FY08.⁴⁹ The FY2009 cap from all sources of funding is \$111.9 million compared with \$64.7 million in FY2008.

The largest projects that will be funded from the FY2009 spending cap are the following:

- Development of new tax collection system known as “MassTax II.” This tax revenue collection system would replace the existing “legacy” system used by DOR, which is no

⁴⁶Commonwealth of Massachusetts Five Year Capital Investment Plan, FY2008-2012, page 43.

⁴⁷ Acts of 2008, chapter 304

⁴⁸ Acts of 2008, chapter 304, section 2B, item 1790-3000. This item contains only one earmark that was added to the original item providing \$1.8 million for IT upgrades at the Appeals Court and Supreme Judicial Court.

⁴⁹ Commonwealth of Massachusetts Five-Year Capital Investment Plan-FY2009-2013

longer cost-effective to maintain or enhance. The new system will provide a much improved, secure and user-friendly system that will integrate all tax administration functions, allow for the efficient and proper accounting and collection of over \$17 billion in tax revenues annually and collect, process, and store all Massachusetts tax returns. MassTax II is expected to improve the Department of Revenue's tax collecting by simplifying the process for companies and individuals while expanding fraud detection.⁵⁰

- Development of a replacement for the ALARS system currently used by the Registry of Motor Vehicles, also an obsolete and inadequate "legacy" system. Registry of Motor Vehicles (RMV) staff devote just over 85% of available programming time to simply maintain the current system, leaving little time for improvements or increased efficiencies. Furthermore, the RMV cannot respond to certain data requests in a timely manner because the current database system requires obsolete COBOL programming to process complex queries. This system would support the RMV by processing driver licenses and vehicle registration and titles. The new system would allow the RMV to increase its revenue collection abilities through its website, provide additional online services, and facilitate shared information with other state agencies.⁵¹
- Continuation of work by the Executive Office of Public Safety on the Massachusetts Public Safety Information Network. Two of the components of this network are upgrades to the Criminal Justice Information System and statewide deployment of electronic fingerprint systems.

Second active data center

In addition to the funding for IT systems, the 2008 General Government Capital Needs Bond Bill provides \$78 million for a second active data center to be built in the city of Springfield. This project would add to the Commonwealth's operating data storage capacity as well as provide a backup system in the event the Massachusetts Information Technology Center in Chelsea was shut down due to a disaster. MITC houses many critical information systems and processes and is located in an area with a number of site-specific risks. Currently, the only emergency backup is provided through a contract with a third party.

The second data center would be a complete and separate operating data center as well as provide a backup to keep essential state information technology services running in the event of an MITC shutdown. It will be located in a geographically separate area to significantly reduce the risk of the same event affecting both data centers.

In addition to the funding in the 2008 General Government Capital Needs Bond Bill, the 2002 IT Bond Bill provided an initial authorization of \$25 million for design, planning, study, acquisition and implementation of the second data center.⁵²

⁵⁰ Bonding Committee Capital expenditure oversight hearing with the Information Technology Division, February 25, 2008.

⁵¹ Id.

⁵² Acts of 2002, chapter 142, section 2, item 1790-2013

DIVISION OF CAPITAL ASSET MANAGEMENT AND MAINTENANCE

The Division of Capital Asset Management and Maintenance (DCAMM) is a division of the Executive Office for Administration and Finance. It has responsibility for and oversight of all state-owned buildings and land. As such, DCAMM is in charge of construction, renovation, repair and maintenance of the state's real property assets. DCAMM manages projects other state branches, agencies, and secretariats including Health and Human Services, Environmental Affairs, Public Safety, University of Massachusetts, the State and Community Colleges and the Judiciary. DCAMM manages and maintains all other state office buildings including the State House.

Capital Plan and Major Projects

DCAMM no longer has a separate bond cap encompassing all of the projects it manages. The Division had its own bond cap of \$54.3 million for FY2008 for what could be termed "pure" DCAMM projects such as state office buildings that are not under the management and operation of other state agencies. These include courthouses, correctional facilities, colleges and universities and health and human services facilities. The total amount of bond cap funding managed by DCAMM for all agencies in FY2008 was \$285.2 million. DCAMM was authorized, under the administrative bond cap established by A&F, to expend this amount during FY2008 on capital projects.⁵³ The following are some of the major projects managed by DCAMM during the past year:

- The new inpatient mental health facility in Worcester. This facility will replace the existing DMH inpatient hospitals in Worcester and Westborough and is being constructed at the existing Worcester campus.
- Various large courthouse projects such as the new Fall River Courthouse, the new Taunton Courthouse and the new Salem Courthouse. Another major upcoming project is the Sullivan Courthouse in Cambridge. In question is whether it is economically feasible to renovate this building or whether it should be replaced. Even for a minimum upgrade of elevators, HVAC and asbestos removal, the estimated cost is very high. For additional information about courthouse projects, please refer to page 29 of this report regarding the Judiciary's capital projects and needs. Also, see Appendix G, which summarizes the current status of all completed, ongoing and planned courthouse projects.
- Higher education projects including ongoing work on the UMass Boston substructure, UMass Amherst WEB Dubois Library improvements, renovations to Worcester State College administrative building and library improvements at Westfield State College. In addition to other projects underway at various UMass and State and Community College campuses, DCAMM will be commencing a number of projects at the various campuses as specified in the Higher Education Bond Bill enacted this year.⁵⁴

⁵³ Due to delays in project approvals, DCAMM used only \$186 million of the \$285.2 million FY08 bond cap. Source: Executive Office For Administration and Finance.

⁵⁴ Acts of 2008, chapter 258

- Several public safety projects including the expansion and upgrade of the Fire Fighting Academy in Stow and construction of a new Cape Cod Medical Examiner's facility.
- Several state office building projects for A&F such as State House roof repairs, the ITD second active data center in Springfield and elevator improvements in the McCormack and Springfield state office buildings.
- Renovation and expansion of the Wall Experiment Station (EOEA).

Many of these projects are discussed further in the relevant agency sections of this report.

The new FY2009 capital plan increases the bond-funded spending for state office buildings and facilities to \$84.119 million.⁵⁵ Total bond funded spending for all DCAMM managed projects for FY2009 is capped at \$401 million.

Master plans

DCAMM is charged with developing several master plans. Among the master planning processes underway at this time are those for corrections, Department of Youth Services, the State House, the Shattuck Hospital and each of the UMass and state and community college campuses.

Under a provision in this year's General Government Capital Needs Bond Bill,⁵⁶ DCAMM is required to develop a master plan for improvements to state and county correctional facilities. The planning process has been underway since earlier this year and is expected to be complete by the end of calendar year 2008. In developing the plan, DCAMM is working with the Massachusetts Sheriff's Association and the Department of Corrections. The plan will be a comprehensive ten-year (through 2020) assessment of the state's capital needs for correctional facilities.

The provision, included in the \$550 million DCAMM capital spending authorization, specifies certain facilities that must be included in the planning process (see page 32 for a listing of the facilities concerned). In addition, \$100 million of the authorization is earmarked for the Middlesex County Sheriff's facilities to address "severe and persistent overcrowding."

Related to the corrections master plan is the Shattuck Hospital master plan. The Shattuck Hospital provides health care for inmates under the care of the Sheriffs and the DOC. As a result of the review of the Shattuck Hospital's condition, there is some question as to whether the existing facility should be renovated or replaced.

Deferred Maintenance

The state continues to struggle with a large deferred maintenance backlog for state buildings and facilities. This backlog has grown despite the state's efforts to address the problem. Although DCAMM has successfully addressed a large number of deferred maintenance needs, new problems continually arise. At the May 2007 capital expenditure hearing, Commissioner

⁵⁵ Commonwealth of Massachusetts, FY2009-2013 Five-Year Capital Investment Plan, December 2008. See, also, capital plan summaries in Appendix B of this report.

⁵⁶ Acts of 2008, chapter 304, section 2D, item 8900-8500

Perini cited a total deferred maintenance problem of about \$1.2 billion. At that time, the Commissioner said that DCAMM had performed about \$500 million in deferred maintenance projects but that new needs had arisen at about the same rate. At the May 2008 hearing, however, the Commissioner quoted the dollar amount of the backlog at nearly \$2 billion indicating that new needs are arising more quickly than existing ones can be remedied.

State Surplus Land Disposition

One of the first things mentioned by Commissioner Perini at the May 2007 capital hearing was the need for legislation amending the state surplus land disposition procedure.⁵⁷ The Commissioner stressed that any new legislation should avoid adding more process because the state needed a more streamlined and efficient means of declaring land surplus and disposing of it in a timely manner. He also suggested that the law should allow for “partial surplus.” As an example, he said the state should be able to declare an unused and unneeded portion of campus surplus while retaining the use of the rest. Finally, Commissioner Perini said that the state should not hold onto unneeded property and that, if such property is developed, municipalities should share in the benefits of the development.

During the 2005-2006 session, this Committee drafted and reported a bill to reform the surplus land disposition procedure. The Senate likewise produced a bill to amend the surplus land disposition statutes. There were several major differences between the House and Senate versions including the role and authority of DCAMM, the role of the Legislature and the involvement of MassDevelopment in certain surplus land dispositions. The session ended without the two branches resolving the differences between the bills.

At the beginning of the 2007-2008 session, a number of surplus land disposition bills were filed in both the House and the Senate, including a bill filed by Chairman David Flynn of this Committee which is substantially the same as the bill approved by the House during the previous session. None of this legislation, however, moved forward this past session.

⁵⁷ Mass. Gen. Laws, chapter 7, sections 40E through 40I

JUDICIARY

Existing and new bond funding

The Judicial Branch of Massachusetts government occupies a large number of courthouse facilities across the Commonwealth. Since 1998, the state has been conducting an extensive program to renovate, rehabilitate or replace deteriorating courthouse buildings. The 1998 Courthouse Bond Bill provided a major portion of the bond funding for this program, authorizing \$730.3 million of general obligation bond authorizations.⁵⁸ An additional \$220 million of GO bond funding was provided for certain court projects, including a new Lowell facility, in Acts of 2004, chapter 290.⁵⁹ Nearly all of these authorizations have been expended or committed.⁶⁰

Most recently, the 2008 General Government Capital Needs Bond Bill authorized \$658.35 million of capital spending for courthouse projects. Some of the major earmarked projects in the authorization are \$125 million for the new Lowell court facility, \$40 million for the Taunton Superior Court building, \$72 million for the Probate and Family Court building in Salem and \$35 million for the Hampden County Hall of Justice project in Springfield.

For more detail about the status and progress of courthouse construction and renovation program, please refer to Appendix G to this report, "Overview of Current and Completed Court House Projects in the Commonwealth."

Capital Plan

The FY2008 capital plan set a bond cap of \$49.3 million for courthouse projects including, the new Plymouth trial court, the downtown Worcester trial court, the new Taunton trial court, the new Fall River trial court and the Salem/J.M. Ruane Judicial Center.

In December 2008, the administration released and published an updated five-year capital spending plan for FY2009-2013. The FY2009 bond cap for court house projects is \$129 million. The FY2010 cap will be slightly higher at \$131.6 million. During the last three years of the plan, FY2011 through FY2013, the bond cap for courthouse projects declines significantly due to the completion of several major courthouse projects currently in progress.⁶¹ Please refer to Appendix B for the full five year court facility plan.

In working with DCAMM to develop the court house capital plan, Chief Justice for Administration and Management Robert Mulligan, at the May 2007 capital expenditure hearing, said that his office continued to adhere to certain principles. One of these is the goal of building comprehensive justice centers where appropriate. One example is the new Worcester court facility, which houses five different court departments.

⁵⁸ Acts of 1998, chapter 189

⁵⁹ Act of 2008, chapter 304, section 2C, item 1102-5600

⁶⁰ Office of the Comptroller of the Commonwealth.

⁶¹ Commonwealth of Massachusetts Five-Year Capital Investment Program FY2009-2013, page 36

A second planning objective is to achieve specific safety and space utilization standards when building new court facilities. One goal is to provide safe and secure space in court houses for witnesses and victims.

Finally, in conducting projects, the Judiciary is employing a model of consolidating, closing and disposing of surplus buildings such as those in Worcester, Salem and Taunton.

Sullivan Court House

The Edward J. Sullivan Court House in Cambridge poses one of the biggest challenges of the court house capital program. Even a minimal systems and life safety renovation would be very expensive. Recent estimates have driven the expected costs of renovation even higher than a year or two earlier. Based on a DCAMM study, the project, which would be performed in phases because of the cost, is estimated to cost three times the original \$130 million estimate.

At the time of the May 2008 hearing, CJAM Mulligan said that there was still no long term solution for the Sullivan Court House. He said that, because of the much higher new cost estimates to renovate the building, other options, including permanent relocation of the court and disposing of the building, are being evaluated. CJAM Mulligan pointed out that the new court house bond authorization would not provide funding for the project. The capital authorization for court house projects in the General Government Capital Needs Bond Bill did not earmark any funds for the Sullivan Court House.

Court House Accessibility and Parking

At the May 2007 capital expenditure hearing, Supreme Judicial Court Chief Justice Margaret Marshall stressed the need for the courthouse capital program to include accessibility improvements required by the Americans with Disabilities Act (ADA). Chief Justice Marshall cited a 2004 United States Supreme Court decision requiring that courthouse facilities be accessible to the disabled.

At the May 2008 hearing, CJAM Mulligan discussed the Judiciary's ongoing study of ADA issues at all of the court facilities. He said that ADA compliance and upgrades was the courts' most pressing need. He noted that there had been a number of ADA-related requests and lawsuits.

Chief Justice Marshall also said that insufficient parking for jurors at courthouses is a problem. When jurors are required to serve, they should have available parking at court facilities.

MassCourts Information Technology Project

The project to develop a comprehensive information technology system for the state court system was first funded in 1995.⁶² The project has experienced significant delays in its implementation but is now nearing its conclusion. At the May 2008 hearing, CJAM Mulligan indicated that the courts would soon roll out the new IT system in the Probate and Family Court. The system would next be implemented at other courts, including the Housing Court

⁶² Acts of 1995, chapter 263

and the Boston Municipal Court. CJAM Mulligan said that the Superior Court would be the last to implement the MassCourts system.

CJAM Mulligan said that \$2 million would be spent this year on the project and that he expected it to be completed within budget in 2010. Craig Burlingame, the Chief Information Officer for the Judiciary, is managing the project.

EXECUTIVE OFFICE OF PUBLIC SAFETY

At the Bonding Committee's May 2007 capital expenditure hearing, Secretary of Public Safety Kevin Burke discussed the major ongoing projects and programs of the Executive Office of Public Safety. These include the state police cruiser replacement program, purchase of mobile data terminals for state police cruisers, the Department of Fire Services (DFS) expansion of the Stow training facility, safety equipment grants to municipalities, improvements to county jails⁶³ and completion of the southeast regional chief medical examiner's office.⁶⁴

Secretary Burke listed as the future critical needs funding for inmate mental health, furniture and cameras to address the prisoner suicide problem, funding for Western Massachusetts police and fire training facilities, a new chief medical examiner's facility to serve central and western Massachusetts, completion of the western Massachusetts portion of the state police "800 MHz" communications project, improvements to national guard armories, purchase of new helicopters (including one "heavy lift" helicopter), a new state police crime laboratory and an "800 MHz" radio system serving the county sheriffs.

At the May 2008 hearing, Secretary Burke discussed the projects that had been undertaken since the beginning of the Patrick Administration. These include the integrated criminal justice information system, critical repairs at various public safety facilities, the continuation of the state police cruiser replacement program (\$12 million per year for ongoing replacement of aging cruisers), the southeastern regional chief medical examiner's facility and the correctional facilities master plan.

Capital Plan

In August of 2007, the Executive Office for Administration and Finance published a Five-Year Capital Spending Plan for FY2008-2012. In December 2008, A&F published the updated five-year plan for FY2009-2013. The bond-funded spending cap for public safety in FY2009 is \$27.416 million as compared with \$29.7 million for FY08.⁶⁵ The FY2009 cap from all sources of funding is \$42.566 million. The bond cap for corrections, which is managed by EOPS, was \$15.6 million in FY2008 and is \$26.948 million for FY2009. Corrections capital funding from all sources in FY2009 is \$27.348.⁶⁶

Correctional facilities master plan

Due to the need for additional capacity and capital improvements at a number of state and county correctional facilities, the General Government Capital Needs Bond Bill included a \$550 million capital spending authorization⁶⁷ to address these needs. The authorization requires the Division of Capital Asset Management and Maintenance (DCAMM) to develop a corrections master plan in consultation with the Department Of Corrections and the Massachusetts Sheriffs

⁶³ Although county jails received much more funding in chapter 304 of 2008, chapter 27 of the acts of 2007 also provided \$20 million for such facilities.

⁶⁴ This program was also funded by chapter 27 of the acts of 2007.

⁶⁵ Commonwealth of Massachusetts Five-Year Capital Investment Plan-FY2009-2013

⁶⁶ Id.

⁶⁷ Acts of 2008, chapter 304, §2D, item 8900-8500

Association. The legislation mandates that the master plan address specific issues including expansion of capacity in Hampden, Middlesex, Worcester, Norfolk and Essex counties, capital improvements to facilities in Berkshire, Bristol and Suffolk counties and a new lockup and pre-release center in Barnstable County.

DCAMM has commenced the master planning process, which is now well underway and expected to be completed by early in 2009.

Western Massachusetts Fire Training Facility

The 2008 General Government Capital Needs Bond Bill provides \$10 million for a western Massachusetts fire training facility in the city of Springfield.⁶⁸ The facility would serve fire personnel, including volunteer and call firefighters, in the western part of the state. They currently experience long delays getting into training programs at the only existing fire training facility in Stow. Due to the distance, firefighter trainees from this part of the state also incur additional costs for meals, lodging and travel to attend the fire academy in Stow. Furthermore, volunteer and call firefighters in western Massachusetts do not have access to the programs at the Stow location.

At the May 2008 hearing, Secretary Burke said that, with the money in the bond bill to acquire property for the facility, DFS will promptly open and begin operating the western Massachusetts fire academy.

Municipal Public Safety Facilities Grant Program

A new capital initiative is a program of grants to cities and towns for repair, renovation and construction of municipal public safety facilities. The 2008 General Government Capital Needs Bond Bill provides \$45 million for the grant program.⁶⁹ The legislation specifies criteria to be applied in making grant decisions including fiscal and budgetary constraints of the municipality, analysis of the municipality's proposed project budget and benefits to the municipality. The final legislation includes earmarks for specific grants.

⁶⁸ Acts of 2008, chapter 304, §2D, item 8000-4900

⁶⁹ Id., item 8000-3500

EXECUTIVE OFFICE OF HEALTH AND HUMAN SERVICES

In 2007 and 2008, the Committee conducted its annual oversight hearings with the Executive Office of Health and Human Services (EOHHS). In 2007, Secretary JudyAnn Bigby, Fred Habib, Chief Financial Officer Patricia Spellman, and Chief Administrative Officer Andrea Dodge testified before the Committee. Secretary Bigby, Assistant Secretary for Administration and Operations Terry Dougherty, and Chief Financial Officer Steve Barnard appeared at the 2008 hearing.

EOHHS includes the Departments of Children and Families, Elder Affairs, Mental Health, Mental Retardation, Public Health, Transitional Assistance, Youth Services and Veterans' Services. It oversees commissions for the blind, deaf and disabled. It also includes MassHealth and the Office for Refugees and Immigrants. The secretariat also manages the Soldiers' Homes in Chelsea and Holyoke.

EOHHS capital facilities and needs are managed by the Division of Asset Management and Maintenance (DCAMM). EOHHS operates over 85 state-owned facilities including public health hospitals, psychiatric hospitals, juvenile detention facilities and outpatient mental health clinics.

Capital Plan and Priorities

In its FY2008-2012 Capital Spending Plan, the administration provided over \$400 million for EOHHS capital needs over five years. The recently released FY2009-2013 Capital Spending Plan provides for \$396 million of bond-funded capital spending. The EOHHS bond cap increased from \$18.8 million in FY2008 to \$68.5 million in FY2009.

Secretary Bigby discussed priority capital projects that were in the FY2008 capital plan and ready to proceed. The largest project is the new inpatient mental health hospital to be built at the campus of the current Worcester mental health facility. The new facility will replace the existing Worcester and Westborough hospitals. The 2007 Immediate Needs Bond Bill provided \$250 million for this project.⁷⁰ Because the estimated project cost had increased to \$278 million due to construction cost inflation, the 2008 General Government Capital Needs Bond Bill authorized an additional \$24 million for the project.⁷¹ As of the May 2008 hearing date, demolition at the project site was underway and site preparation work was expected to commence in June 2009. According to DMH, preparations have been completed at the site, including demolition and roadwork to access the facility. During FY2008, \$12 million was expended for these early construction phases of the project. Construction is scheduled to begin in March of 2009 and be completed by March 2012.

Another priority is the Shattuck Hospital Master Plan, which is intended to determine the most cost-effective solution to address the deteriorated condition of the Lemuel Shattuck Hospital. The Shattuck is the primary provider of public health services for the Boston area. Phase I of the study was completed in July 2007 and concluded that renovation of the existing building would not be cost-effective. Phase II began in the fall of 2007 and involves the evaluation of the

⁷⁰ Acts of 2007, chapter 27, section 2, item 5500-9405

⁷¹ Acts of 2008, chapter 304, section 2C, item 1102-2008

clinical needs of stakeholders. The final Phase III will evaluate future options for replacement of the facility. During FY2008, EOHHS spent \$700,000 to continue funding the Master Plan study.

Another priority cited by the Secretary that was ready to proceed in 2008 is the Department of Youth Services Master Plan. EOHHS received funding to complete a comprehensive review of DYS facilities and needs.

In addition to these two master plans, EOHHS is working with A&F and DCAMM to develop a master plan for each agency within EOHHS.

New bond funding

In addition to the funding for the inpatient mental health facility discussed above, the 2008 General Government Capital Needs Bond Bill authorized \$80 million of general obligation funding for other EOHHS facilities over the next five years.⁷² This funding will pay for acquisition, new construction, renovation and repair of EOHHS capital assets.

Maintenance

EOHHS agencies have completed a list of deferred maintenance items totaling \$82 million. These needs were identified as a result of an asset assessment conducted several years ago. EOHHS created a formula to establish repair priorities that weighed elements like health and safety, compliance with laws and regulations and project feasibility. Like the capital facilities of other agencies, most capital facilities of EOHHS agencies have not received sufficient or timely maintenance or upgrades.

In addition to the deferred maintenance backlog, EOHHS owns many unused and deteriorating buildings that need to be demolished for safety reasons. EOHHS estimates the total cost of demolition at \$55 million.

Some of the ongoing repair and maintenance projects for FY2008 include:

- Department of Youth Services: Installation of CO2 detectors in residences.
- Department of Mental Retardation: HVAC and electrical upgrades and window replacement in aged buildings; roof replacements and other renovations in many buildings.
- Department of Mental Health: Upgrades to fire alarms and CO2 detectors.
- Department of Public Health: Building renovations and roof replacements; electrical upgrades and CO2 detectors.
- Chelsea Soldiers' Home: Installation of sprinkler systems and CO2 detectors.
- Holyoke Soldiers' Home: Electrical upgrades.

Information Technology Projects

EOHHS manages a number of agencies that provide a variety of human services and deal with a large number of service providers and clients. As a result, EOHHS relies heavily on information technology to efficiently manage and deliver services and information.

⁷² Acts of 2008, chapter 304, section 2C, item 4000-2020

The major EOHHS information technology priorities are to:

- Continue to build on the “Virtual Gateway,” which provides a single internet portal to services and information.
- Consolidate IT management, oversight and standards in order to avoid duplication and investment in redundant systems and promote interoperability of systems.
- Continue to develop online service reporting and billing for human service providers.
- Complete final implementation of the new MMIS system to replace the legacy Medicaid Management Information System.

In 2004, EOHHS launched the Virtual Gateway, an online platform that supports and integrates EOHHS databases and provides one-point user access. The Virtual Gateway now includes more than 13 “e-Government” services and serves about 17,000 individuals employed by hundreds of human services organizations. The Virtual Gateway is designed to decrease operating costs, redundancies, and inefficiencies by standardizing and connecting EOHHS systems, streamlining information, and creating a single platform to exchange information. Planned and ongoing enhancements to the system include the launch of an online invoicing service for human service providers, investment in a data warehouse in order to integrate client and spending data from a number of different information systems, and establishment of a single client identification system to improve coordination of services across agencies.

EOHHS continues to develop the Enterprise Invoice Management (EIM/ESM) online invoicing system accessible through the Virtual Gateway. This service streamlines \$2.6 billion in purchase of service contract management and invoicing processes and is used by more than 400 community human service organizations and nearly 3,000 individual users.

EOHHS will invest in a new technical platform to support the Virtual Gateway and other EOHHS IT operations. It will replace the current Virtual Gateway user access and security system, deliver new ways of building interfaces between systems, increase database and processing capacity, standardize document and workflow management and provide a secure collaboration environment for sharing of project information between EOHHS agencies.

The new MMIS system is designed to provide a modern system for MassHealth that will support cost containment and flexible program design goals. It will support the “virtual gateway” to link clients, providers and staff with information. Federal reimbursements will pay for up to 90% of the development and implementation costs of the system. EOHHS expects that about \$6.25 million of the project cost will be funded from the new IT authorization in the 2008 General Government Capital Needs Bond Bill.⁷³

⁷³ Acts of 2008, chapter 304, section 2B, item 1790-3000. This authorization provides \$450 million for unspecified information technology projects.

Recently completed projects

In the fall of 2007, DYS opened its new female detention facility in Westborough. This \$20.5 million project addresses the shortage of facilities for girls by providing 45 new beds.

Another project that is nearly complete is the electric system upgrade at the Holyoke Soldiers' Home.

DEPARTMENT OF HIGHER EDUCATION

On May 7, 2007 and May 13, 2008, the Committee conducted its annual oversight hearings with the Department of Higher Education (DHE).⁷⁴ In 2007, Chancellor Patricia Plummer and Assistant Vice Chancellor Susan Wolfe testified before the Committee. In 2008, Chairman Fredrick W. Clark, Commissioner Plummer, and Bridgewater State College President Dana Mohler-Faria testified before the Committee. Since the most recent hearing, Aundrea E. Kelley has succeeded Dr. Plummer as Acting Commissioner of DHE.

The DHE, working with the Division of Capital Asset Management and Maintenance (DCAMM), manages the nine state college campuses and fifteen community college campuses. These campuses occupy approximately 425 buildings comprising 13.2 million square feet on 2,892 acres⁷⁵ and serve nearly a quarter of a million enrollees.⁷⁶ The majority of these buildings are more than 25 years old and about half were built before 1965.

At the 2008 hearing, DHE Chairman Fred Clark discussed the seven year process, which began in 2001 and concluded this year, to identify priority projects within the state and community college system. As part of this process, the DHE commissioned the Eva Klein study, the conclusions of which are contained in a 2003 final report. At that time, the study identified \$1.2 billion of deferred maintenance needs. The DHE estimates that this amount has grown to about \$2.8 billion today. The Klein study, together with the subsequent space utilization study (2004-2007) and master plans developed for each campus, form the basis for the comprehensive master plan that has now been completed for the entire system.

While the size of its deferred maintenance backlog is large and growing, the Department has continued to spend 5% of its budget on maintenance. At the 2007 hearing, Associate Vice Chancellor Susan Wolfe said that the Board of Higher Education had spent \$100 million during the previous year for deferred maintenance needs.

Commissioner Patricia Plummer⁷⁷ said at the 2008 hearing that the new bond funding in the pending Higher Education Bond Bill was coming at an important time; a worsening economic climate and the high cost of private higher educational institutions would make public higher education the first choice for many.

The Governor's special advisor on higher education, Bridgewater State College President Dana Mohler-Faria, discussed DHE priorities at the May 2008 hearing. He said that the Department would focus on modernizing or replacing obsolete science facilities and academic buildings.

Capital Plan

The new capital plan is based on the DHE comprehensive master plan discussed above. The capital plan is reflected in the specific projects and campuses earmarked in the Department of

⁷⁴ Renamed in 2007, the DHE was formerly known as the Board of Higher Education.

⁷⁵ Massachusetts Department of Higher Education, "Strategic Capital Planning – State and Community Colleges," May 2008.

⁷⁶ Commonwealth of Massachusetts, FY0808-2012 Five-Year Capital Investment Plan, August 2007, p. 24.

⁷⁷ As part of the 2007 reorganization, when the Board of Higher Education became the Department of Higher Education, the Chancellor's position was changed to that of Commissioner of the Department.

Higher Education capital spending authorization contained in the 2008 Higher Education Bond Bill.⁷⁸ In the administration's capital plan, capital investment totaled \$43.7 million for fiscal year 2007 and \$124.9 million for fiscal year 2008.

In December 2008, the administration released its updated FY2009-2013 five-year capital spending plan. The FY2008 and 2009 bond caps are significantly lower than those shown in the FY2008-2012 five year plan, which were \$115 million and \$118 million, respectively. The FY2009-2013 plan, however, substantially increases the spending caps for FY2010-2013 with a total of \$720 million of bond-funded spending provided for the five year period (\$746 million if one includes all funding sources). The bond cap total for the five years is about \$30 million less than the previous five year plan, reflecting the general downward adjustment of spending under the revised capital spending plan.

New Bond Authorizations

The new bond legislation authorizes \$1.19 billion for the state and community colleges over a ten year period. This funding represents an increase in the percentage of the state capital budget spent on public higher education infrastructure from three to ten percent. The former percentage placed Massachusetts near the bottom of the fifty states for investment in public higher education while the new level of funding puts the state near the mean level of spending of all fifty states.⁷⁹

Capital spending authorizations in the Higher Education Bond Bill include:

1. \$548 million for projects at all fifteen community colleges. Projects include the Siegel Health Technologies Building at Bristol Community College and a new learning and resource center at Bunker Hill Community College.
2. \$491 million for projects at the nine state college campuses. Projects include the Conant Science Center at Bridgewater State College and the Center for Design Innovation at Massachusetts College of Art and Design.

For a complete listing of all earmarked projects and amounts, please refer to Appendix H of this report. Also, see the discussion of the Higher Education Bond Bill in Chapter One of this report.

The Higher Education Bond Bill also de-authorized \$34.6 million of old and unused capital accounts.⁸⁰

The administration withdrew an earlier proposal that state and community colleges provide a 20% participation in the cost of capital investment projects. This will ease state and community college finances by allowing funds that would have been used to match state money to be redirected to address critical maintenance and repair needs, safety projects and classroom

⁷⁸ Acts of 2008, chapter 258, section 2, item 7066-8000

⁷⁹ Patrick Administration. Commonwealth of Massachusetts FY2008-2012 Five-Year Capital Investment Plan, August 2007, p. 23.; Based on National Association of State Budget Officers, "2005 State Expenditure Report."

⁸⁰ This amount includes de-authorization of University of Massachusetts capital accounts as well.

space.⁸¹ This change will also increase affordability because colleges will no longer need to raise student fees to cover such capital costs.

State College Building Authority

The State College Building Authority was established in 1963.⁸² The Authority manages building projects at state and community college campuses. It builds fee-generating facilities, principally buildings such as dormitories, dining halls, parking facilities and sports facilities. The Authority funds its projects by issuing revenue bonds that are repaid with rents and fees generated by the facilities constructed. All projects undertaken by the Authority are submitted to the DHE for review and approval.

The Authority has been effective in getting badly needed campus facilities like dormitories constructed in a timely and cost effective manner. The Authority operates with a staff of six persons including the executive director.

In this year's Higher Education Bond Bill, the Authority received an increase in its statutory bond cap from \$500 million to \$1 billion.⁸³ This means that the Authority now has an available \$500 million of authorizations to issue revenue bonds for projects. The Authority had mostly exhausted the \$500 million in revenue bond authority it had been granted in 1998;⁸⁴ the bond authority provided for in the statute is non-revolving and may not be re-used after repayment.

At the May 2008 hearing, Dr. Mohler-Faria said that the Authority was building two projects at the Bridgewater State College campus. He noted that the MSCBA program was quite effective in getting projects done through the use of alternative procurement methods.⁸⁵

⁸¹ Commonwealth of Massachusetts, FY0808-2012 Five-Year Capital Investment Plan, August 2007, p. 26

⁸² The Authority was established by Acts of 1963, chapter 703.

⁸³ Acts of 2008, chapter 258, section 8

⁸⁴ Acts of 1998, chapter 290, section 3. At the May 2008 hearings, Chairman Fred Clark noted that the Authority had just borrowed the last \$90 million of the \$500 million authorization granted in 1998.

⁸⁵ Alternative procurement methods specifically applicable to the MSCBA were provided for in section 30 of chapter 193 of the acts of 2004 (construction reform legislation).

THE UNIVERSITY OF MASSACHUSETTS

The University of Massachusetts (UMass) has five campuses: Amherst, Boston, Lowell, Dartmouth, and the Worcester Medical School campus. The campuses serve 61,000 undergraduate and graduate students, with nearly half of these attending the flagship Amherst campus. The system is governed by a nineteen member Board of Trustees (the Board) and is headed by UMass President Jack Wilson. UMass capital needs are funded by several sources including state bond funds, university funds, and private fundraising. The University borrows funds for specific projects through revenue bonds issued by the UMass Building Authority (UMBA) and the Health and Educational Facility Authority (HEFA).⁸⁶

In May of 2007 and May of 2008, the Committee conducted the annual oversight hearings on the UMass system. UMass President Jack Wilson and Vice President for Management and Fiscal Affairs and Treasurer Steve Lenhardt testified at the hearings.

UMass Capital Plan

President Wilson summarized the University's capital spending program, saying that, over the past 7 years, the University had invested \$1.5 billion dollars in capital improvements to existing structures and construction of new facilities. Of this amount, \$1.2 billion consisted of University funds from borrowings, operating funds and fundraising. The remaining \$300 million came from state general obligation bonds.⁸⁷ President Wilson indicated that this current 80%/20% split in funding would be replaced by a 50%/50% ratio of state to University funding for the capital program once new bond funds were authorized.

The University's five year capital plan provides for spending \$2.9 billion over the next five years. This plan would entail a significant increase in borrowing by the University and a near doubling of the prior level of capital expenditures. The plan includes \$645 million for deferred maintenance, \$463 million for building replacement and rehabilitation, and \$1.1 billion for new construction. Approximately 54% will be spent on maintenance and repair and 40% on new construction.⁸⁸

Capital Plan

In December 2008, A&F published its new five-year plan for FY2009-2013. The bond-funded spending cap for higher education, which includes both UMass and state and community college, is \$72.5 million in FY2009 as compared with \$29.7 million for FY2008.⁸⁹ The FY2009 cap from all sources of funding is \$81.6 million.

The FY2008 and 2009 bond caps are significantly lower than those shown in the FY2008-2012 five-year plan, which were \$115 million and \$118 million respectively. The FY2009-2013 plan, however, substantially increases the spending caps for FY2010-2013 with a total of \$720 million

⁸⁶ Massachusetts.edu.

⁸⁷ Acts of 2002, chapter 245 authorized \$77 million of general obligation bond funding for UMass. In addition, the 2006 Supplemental Capital bill provided \$50 million of operating funds for UMass capital projects.

⁸⁸ President Jack M. Wilson. Testimony before the Committee on Bonding, Capital Expenditures and State Assets. May 8, 2007.

⁸⁹ Commonwealth of Massachusetts Five-Year Capital Investment Plan-FY2009-2013

of bond-funded spending provided for the five year period (\$746 million if one includes all funding sources). The bond cap total for the five years is about \$30 million less than the previous five year plan, reflecting the general downward adjustment of spending under the revised capital spending plan.

UMass Building Authority

The UMass Building Authority (UMBA) conducts a substantial portion of the University's capital program. UMBA was established in 1960⁹⁰ to construct and finance fee-generating facilities such as dormitories and dining halls, although the Authority, as discussed below, is now involved in the development of academic buildings. The Authority finances capital projects by issuing revenue bonds that are repaid through fees or rents received from the projects.

UMBA has a staff of three and is governed by an 11 member volunteer board of trustees. By using alternative procurement methods, the Authority has been able to complete projects on an accelerated basis. As an example, President Wilson pointed out at the 2007 hearing that UMBA had financed and constructed over 3,000 dormitory beds during the previous several years.

UMBA is currently financing and building several projects at the Amherst campus including a new power plant, an integrated science building, student recreation center, fine arts building and a major addition to the nursing facility. At the Lowell campus, the Authority is building a new parking garage and will begin work on the new Nano/Bio facility. At the Dartmouth campus, UMBA is financing and developing a new research building.

Deferred Maintenance

A large portion of the University's capital plan is devoted to deferred maintenance needs. The University's more than \$1.2 billion deferred maintenance backlog is a top priority under the capital plan. UMass will spend 54% of the funds in its capital plan for basic maintenance, repair and renovations. The non-earmarked portion of new bond funding for UMass in the 2008 Higher Education Bond Bill will be allocated to repair and maintenance needs.

The UMass-Boston substructure is the largest deferred maintenance problem facing the University. The substructure included a parking garage that has now been closed. To restore the entire structure so that it could be used as a garage would cost about \$180 million. Instead, the University will spend significantly less to restore the substructure as a foundation only. New parking areas would be constructed elsewhere on campus to replace the lost parking spaces. Restoration work on the substructure is proceeding and is expected to be complete by late 2010 to spring 2011. The final cost is expected to be \$35 million.

2008 Higher Education Bond Bill

In October 2007, Governor Patrick filed a Higher Education Bond Bill.⁹¹ The bill, which was enacted in August 2008, authorized over \$2.1 billion of new authorizations to address public higher education infrastructure needs. Of this amount, more than \$1 billion of the

⁹⁰ Acts of 1960, chapter 773

⁹¹ Acts of 2008, chapter 258

authorizations provide funding for infrastructure improvements at all five UMass campuses. Projects specified in the UMass capital spending authorization include:

1. \$100 million for a new laboratory science building at the Amherst campus.
2. \$100 million for a new academic building at the Boston campus.
3. \$78 million for major infrastructure repair projects, a marine science facility, and a new addition to the Charlton College of Business for the Dartmouth campus.
4. \$43.5 million for a new south academic building at the Lowell campus.
5. \$25.5 million for modernization and improvement of the health science and athletic center at the Worcester Medical campus.

See Appendix H for a complete listing of the projects earmarked in the UMass authorization.

In addition to providing new capital authorizations, the bond bill also de-authorized \$34.6 million of old and unused existing authorizations. These are generally accounts older than 5 years but which had been extended.⁹²

⁹² Mass. Gen. Laws, chapter 29, section 14 provides that capital spending authorizations expire after 5 years.

BOARD OF LIBRARY COMMISSIONERS

The Board of Library Commissioners (BLC) administers a program of grants to cities and towns for expansion or renovation of existing municipal library buildings or the construction of new facilities. The program, known as the Massachusetts Public Library Construction Program (MPLCP), was commenced in 1990. Since the program's inception, the Board has awarded grants totaling \$282 million to 239 cities and towns for 209 public library construction projects and 85 planning and design projects. The typical library construction grant pays for 35% of total eligible costs and 25% of construction costs; local funds, both municipally appropriated and privately raised, cover the balance of costs.

The 2008 General Government Capital Needs Bond Bill⁹³ provides \$100 million to fund a five year program of library construction grants at \$20 million per year. This capital authorization provides the first new library construction grant funding since 2002.⁹⁴ Prior to the enactment of the new authorization this year, the Board had run out of funding for new projects. As of January 2008, the Board had a three year waiting list of 29 library projects that it could not fund because it lacked new capital authorization. Because of the long wait for the library grants, some projects proceeded without the BLC grant. BLC grants for the 29 project waiting list total \$94.3 million, which includes a construction inflation factor of 15% over the original project estimates. The total actual construction cost of the 29 projects will be between three and four times this amount, with the balance being funded by the grantees.

In FY2008, the Board funded the completion of 5 projects using money remaining from the 2002 authorization.⁹⁵ In March 2008, the Falmouth library project, which is one of those that began construction without waiting for the state grant, was completed with municipal bond funds; the town will be reimbursed for the state share once the new capital funds are available.

In FY2009, the Board expects the completion of the Mattapan branch of the Boston Public Library and libraries in Bolton, Cambridge, Middleton, Milton and Northborough.

The BLC has not yet scheduled a new round of grants. The Board expects that between 40 and 60 projects will apply for grants during a new round. Representatives of the Board testified that the \$100 million of grant funding from the state would generate \$400 million of construction activity.

⁹³ Acts of 2008, chapter 304, section 2C, item 7000-9090

⁹⁴ Acts of 2002, chapter 245, section 2, item 7000-9010

⁹⁵ The towns are Charlton, Georgetown, Mattapoisett, North Brookfield and Wendell.

TRANSPORTATION

The Executive Office of Transportation (EOT) includes under its aegis all transportation authorities, agencies and departments in the state. These include the Massachusetts Highway Department (MassHighway), the Massachusetts Turnpike Authority (MTA), the Massachusetts Port Authority (MassPort), the MBTA and the Massachusetts Aeronautics Commission.

Transportation policy

At the May 2007 hearing, Secretary Bernard Cohen⁹⁶ said that EOT is looking at overall transportation policy, pricing and amendments. He noted that transportation policy in the past has displayed “a lack of organizing principles,” citing as examples the elimination of tolls on the western portion of the Turnpike and reducing MassPort parking fees while at the same time increasing MBTA fares.

Capital Spending Plan and 2008 bond legislation

The state bond funded capital spending plan for EOT (not including Authorities) was \$518.5 million for FY2008 and \$608.5 million for FY2009.⁹⁷ Including all other sources of funding, mostly federal highway grants, the FY2008 and FY2009 caps are \$945.6 billion and \$1.259 billion, respectively.

The five year transportation spending plan will be funded in large part by the two major Transportation Bond Bills enacted in 2008. Chapter 86 of the Acts of 2008 provides a total of \$3.515 billion of new capital spending authorizations, of which \$1.623 billion will be paid from state bond funds. The state bond funding leverages another \$1.892 billion of federal highway reimbursements, which represents the funding source for the balance of the capital spending authorizations

Chapter 303 of the Acts of 2008 authorized another \$1.362 billion of capital spending authorizations for transportation programs, all of which will be paid from state bond funds. These bond bills are further discussed in Chapter One of this report and detail of the programs and amounts funded in the bills appears in Appendix F to this report. In addition to the two bond bills, the state enacted a bond bill in 2008 to address bridge repair needs. This legislation is discussed below.

Chapter 90 program

This past year’s transportation bond legislation will fund a variety of transportation programs. One of these is the “Chapter 90” program, which provides grants to cities and towns for the cost of repairing local roads and bridges and is one of the major local programs administered by the state.⁹⁸

The first of the 2008 Transportation Bond Bills, chapter 86, provides \$150 million for chapter 90 grants. The second bill, chapter 303, authorized another \$350 million of bond funded

⁹⁶ Mr. Cohen was recently replaced by James Aloisi.

⁹⁷ Commonwealth of Massachusetts Five-Year Capital Investment Plan – FY2008-2013

⁹⁸ The chapter 90 program is no longer included under the transportation bond cap but is instead part of the Community Investments capital investment category in the Five-Year Capital Spending Plan.

authorizations for the program. The capital plan for both FY2008 and FY2009 provides for an annual expenditure of \$150 million for chapter 90 grants.

State wide road and bridge program

The state wide road and bridge program received funding in both chapter 86 and chapter 303 for a total of \$800 million.⁹⁹ Secretary Cohen testified at the May 2008 hearing that the administration had increased the FY2008 program by 5% over the previous fiscal year to \$540 million. The Secretary further said that, during the first three quarters of FY2008, EOT agencies had issued 165 Notices to Proceed with a total contract value of \$390 million. MassHighway also has advertised some of the 26 projects totaling \$260 million listed in the State Transportation Improvement Plan (STIP) that the Federal Highway Administration had released from its hold on advertising.¹⁰⁰ Secretary Cohen said that EOT would continue to work on amending the STIP so that it could advertise and proceed with additional projects.

Structurally deficient bridge repair program.

In 2008, a bond bill was enacted to pay for an accelerated program to repair the state's numerous structurally deficient bridges.¹⁰¹ This bill provided \$2.078 billion to repair bridges under the management of MassHighway that are classified as structurally deficient. In addition, the legislation provides another \$906 million to repair structurally deficient bridges that are managed by the Department of Conservation and Recreation.¹⁰² This legislation will address repair needs for 411 MassHighway and DCR bridges over the next eight years. Combined with the current capital program for bridges, 808 structurally deficient bridges would be repaired over the term of this program. The bridge repair program is designed to accelerate the commencement and completion of bridge projects in order to reduce construction costs, which have been increasing at double digit rates annually, and prevent additional deterioration over time. The administration projects that the state will save about \$1.7 billion in avoided inflation costs.

The administration has established a capital spending plan for the bridge problem that is separate from the overall five year capital spending plan. This bridge repair plan will be funded from separate sources, that is, gas tax revenue bonds and grant anticipation notes (GANs) and will be unaffected by the reductions in the overall capital plan. The bridge program will proceed with the full amount of planned spending as shown below in Figure 1. Figure 1 shows the projected annual spending for the bridge program for FY2009 through FY2016 and the amount of GANs and gas tax bonds expected to be issued in each year to fund the program.

⁹⁹ The original amount of \$800 million in the Governor's bill, H.4562, was reported out in two separate parts of \$225 million in chapter 86 and \$575 million in chapter 303.

¹⁰⁰ The FHA had placed a hold on projects in the STIP pending further review and amendment of the STIP.

¹⁰¹ Acts of 2008, chapter 233

¹⁰² MBTA and MTA bridges are specifically excluded from the legislation.

Figure 1: Projected Debt Issues to Fund Accelerated Bridge Program			
Fiscal Years 2009-2016 (\$000s) Fiscal Year			
FY2009-2016	Gas Tax Bond Issues	Federal GANs Issues	Projected Issues to Fund Accelerated Bridge Program
2008	-	-	-
2009	\$164,900,000	\$0	\$164,900,000
2010	\$289,800,000	\$8,000,000	\$297,800,000
2011	\$305,300,000	\$89,200,000	\$394,500,000
2012	\$284,200,000	\$261,600,000	\$545,800,000
2013	\$295,400,000	\$321,600,000	\$617,000,000
2014	\$302,800,000	\$280,500,000	\$583,300,000
2015	\$129,900,000	\$147,100,000	\$277,000,000
2016	\$103,700,000	\$0	\$103,700,000
Total	\$1,876,000,000	\$1,108,000,000	\$2,984,000,000

Source: Commonwealth of Massachusetts FY2009-20013 Five-Year Capital Investment Plan.

Sections 16, 17 and 19 of the Structurally Deficient Bridges Bond Bill include requirements relative to implementation of management controls and expenditure reporting. Pursuant to these requirements, EOT submitted in early December a Bridge Preservation and Repair Plan for calendar years 2009 through 2011 and, in early January 2009, the Report of Progress, Expenditures and Personnel” for 2008. These requirements are further discussed in Chapter Three of this report, relative to the Massachusetts Taxpayers Foundation.

Transportation reforms

At the May 2008 capital hearing, Secretary Cohen listed several reforms provided for in chapter 86, the first of the two Transportation Bond Bills enacted in 2008. The Secretary said EOT had already begun implementing the reforms.

One reform that the Secretary discussed will promote greater transparency. MassHighway now publishes performance measures in a quarterly report known as the “Scorecard.” The Scorecard is available on the EOT and MassHighway websites.

A second reform enhances project delivery. MassHighway has implemented measures that will reduce the amount of time required to complete a project from ten years to less than six years. As required by chapter 86, MassHighway now advertises and awards contracts and issues notices to proceed within 120 days of the date of the original advertisement.

The third reform Secretary Cohen addressed in his testimony was the promulgation of new regulations governing the use of police details and civilian flaggers at public work sites.

In addition to these items, other reforms were included in chapter 303, the second of the two Transportation Bond Bills. This legislation amended chapters 30 and 149A of the General Laws by adding sections requiring the employment of an owner’s representative to oversee any major

project, which is defined as any project with a certified cost estimate of more than \$50 million.¹⁰³ Section 69 of chapter 303 requires the Secretary of Transportation to submit a timeline and funding schedule to transfer 80% of transportation personnel who are paid from borrowed funds to the operating budget. Much more far reaching reforms of the entire state transportation system are now under consideration by the Administration and the Legislature. Transportation restructuring was the subject of a recent series of hearings conducted by the Joint Committee on Transportation.

Massachusetts Turnpike Authority

The Massachusetts Turnpike Authority (MTA) is facing serious fiscal challenges as a result of a number of factors including past and current toll policies, high debt burden from the central artery project and finance exposure due to interest rate swap option agreements.

Under prior administrations, the tolls on the western portion of the Turnpike were eliminated and a Fast Lane toll discount program was instituted. Scheduled toll increases at one point were also delayed. These actions have reduced toll collections.¹⁰⁴ In addition, the MTA is carrying a large debt burden due to the issuance of \$2.4 billion in Metropolitan Highway System bonds that were issued to finance a part of the cost of the Central Artery project.

In order to obtain upfront cash payments to help meet budget shortfalls, the MTA entered into derivative transactions with three firms. The Turnpike sold five options to UBS to enter into floating-to-fixed interest rate swaps with regard to a total of \$800 million of bonds. In addition, the MTA entered into five similar contracts with Lehman Brothers respecting other bonds of the Authority. The third firm with which the MTA entered in swap contracts is J.P. Morgan.

As part of the UBS transactions, the MTA purchased a bond insurance policy from Ambac for \$6 million. In January and July of 2008, UBS exercised option contracts affecting \$335 million of bonds. Due to the spread between the fixed rate it is paying and the much lower variable rate it is receiving from UBS, the MTA is incurring an additional \$853,000 of monthly interest expense. As of January 1, 2009, UBS had the right to exercise the options on the remaining \$465 million of bonds

The MTA had expected that, if UBS exercised its options, it could refinance the debt by issuing variable rate demand bonds (VRDBs) supported by standby bond purchase agreements from financial institutions. The MTA, however, is unable to do so because its current bond rating is well below the VRDB market requirement of at least Aa3/AA-/AA- ratings.¹⁰⁵ The Ambac insurance policy, which once would have conferred a high rating on the bonds, is now virtually worthless because of Ambac's poor financial condition.

¹⁰³ Acts of 2008, chapter 303, sections 12 and 27

¹⁰⁴ Recently, the MTA deferred action on a proposed \$100 million toll increase pending a plan to restructure the state's transportation system. *Administration, House Turn Up Heat on Senate for Transportation Revenues*, State House News Service, January 22, 2009.

¹⁰⁵ In October 2002, Fitch downgraded the MHS bonds to BBB+/BBB. In January 2003, Moody's followed suit and lowered its rating on the MHS bonds to A3/Baa1.

A recent downgrade in Ambac's credit rating by one rating agency resulted in a demand from UBS for full payment on all of the option contracts, the value of which was most recently estimated at \$421 million.¹⁰⁶ UBS claims the downgrade is an event of default giving UBS the right to terminate the contracts. The MTA contends that a downgrade from a second rating agency, Standard & Poor's, is required before UBS will have a right to payment and plans to oppose the UBS demand.

In order to prevent or prepare for such a contract termination, the administration had proposed that the state provide a full faith and credit guarantee of the MHS bonds that would allow the MTA to refinance the debt. A provision to this effect was included in the House version of the Structurally Deficient Bridge Bond Bill but was later removed. Instead, a modified version providing for other credit support, including appropriation guarantees, was included in the General Government Capital Needs Bond Bill.¹⁰⁷

The termination value of the Lehman Brothers contracts, like those of UBS, had been steadily increasing. As of November 24, 2008, the contract exposure was \$77 million. These obligations are not covered by the state's guarantee. Since Lehman Brothers declared bankruptcy and was therefore in default under the contracts, the MTA had the opportunity to seek termination of the contracts at a time favorable to the Authority. Recently, the MTA successfully terminated the Lehman contracts for a \$3.4 million payment to Lehman resulting in a net gain on the transaction of \$31 million.¹⁰⁸ By terminating the contracts, the MTA also eliminated a potentially large exposure.

The J.P. Morgan contacts began with a value of \$3 million. These have increased to \$19 million as of November 24, 2008. Pursuant to an agreement between the MTA and J.P. Morgan, the MTA is required to set aside reserves for the entire amount of the liability. Thus, as of the end of the 2008 calendar year, the MTA set aside \$19 million in a reserve account for this purpose.

¹⁰⁶ See, *UBS Calls in \$400M in Pike Swaptions, Pike Will Fight Demand*, State House News Service, January 8, 2009. The amount of the contract termination value fluctuates widely. It was estimated at \$180 million a few months ago and has gone as high as \$470 million.

¹⁰⁷ Acts of 2008, chapter 304, section 26

¹⁰⁸ See, also, *Mass. Turnpike deal nets \$31M, clears fiscal cloud*, The Boston Globe, December 23, 2008.

EXECUTIVE OFFICE OF ENERGY AND ENVIRONMENTAL AFFAIRS

The Executive Office of Energy and Environmental Affairs (EOEEA) includes six departments in charge of environmental protection, state parks and recreational facilities, agriculture, utilities and energy. These are the Department of Agricultural Resources (DAR), the Department of Conservation and Recreation (DCR), the Department of Environmental Protection (DEP), the Department of Energy Resources (DER), the Department of Fish and Game (DFG) and the Department of Public Utilities (DPU).

In 2007, the Patrick Administration reorganized the Executive Office of Environmental Affairs to include the Division of Energy Resources. This reorganization combined under the same secretariat both environmental and energy policy initiatives, with the goal of achieving a more sustainable energy structure. Through DCR, EOEEA manages 1200 buildings, 187 bridges, and 450,000 acres of parks, forests, and conservation lands, comprising ten percent of the Commonwealth's total land.

In May 2007 and May 2008, the Committee conducted its annual oversight hearings with the Executive Office of Energy and Environmental Affairs. Secretary Ian Bowles testified at both hearings. David Mahr, EOEEA Capital Budget Director, also testified about agency activities and capital needs.

Capital Plan and Priorities

In developing the FY2008-2012 five year capital plan, the Patrick Administration established as one of its principal priorities the addressing of environmental needs. The administration sought to increase past levels of environmental funding to repair environmental infrastructure like roadways, parks and recreational facilities, promote cleaner energy use, protect more open space and reduce pollution. The FY2008-2012 capital plan provided for a total of \$650 million of spending on environmental and energy programs.

In December 2008, A&F published its five-year capital spending plan for FY2009-2013. The bond-funded spending cap for energy and environment in FY2009 is \$123 million as compared with \$143.4 million for FY08.¹⁰⁹ The FY2009 cap from all sources of funding is \$125 million. Actual spending was higher in FY2008 because unused funds from other investment categories were allocated to energy and environmental projects that were ready to proceed.¹¹⁰ The plan contemplates further reductions in the annual cap as certain major projects are completed.¹¹¹ At the hearings, EOEEA representatives stressed two major areas in need of significant capital funding. The first is increased funding to address the large deferred maintenance backlog at DCR parks and recreational facilities. The total amount of deferred capital maintenance needs at DCR facilities has grown significantly over the past several years. When asked about the current cost estimate for all deferred maintenance, Secretary Bowles said he could not provide an accurate number at that time. Several years ago, however, the total cost was estimated to exceed \$1 billion. The 2008 environmental bond legislation includes \$205 million for DCR parks

¹⁰⁹ Commonwealth of Massachusetts Five-Year Capital Investment Plan FY2009-2013

¹¹⁰ *Id.*, p.45

¹¹¹ *Id.*

and recreational facilities over the next five years. The FY2008 plan included \$96.1 million for deferred maintenance, an \$18.9 million increase over FY2007 spending.¹¹² The FY2009 plan increases the amount allocated for deferred maintenance to \$102 million.¹¹³

Second, EOEEA representatives emphasized increased funding for open space preservation programs, which had been underfunded during the prior administration. The EOEEA capital plan provides for increased spending of at least \$50 million each year over the next five years for open space preservation. This includes land acquisitions by DFG and DCR, purchase of agricultural restrictions under the Agricultural Preservation Restriction Program,¹¹⁴ and urban and suburban municipal parks acquisitions (“PARC” and “LAND” programs). The 2008 Environmental Bond Bill, which is further discussed below, provides a total of \$348 million for the various open space and agricultural preservation programs.

2008 Environmental Bond Bill

The environmental bond legislation enacted in 2008 provides funding for the EOEEA priority programs and projects in the five-year capital plan. Before the bill, the last major environmental bond legislation was Chapter 236 of the Acts of 2002, which authorized \$750 million of GO bond funding for environmental programs.¹¹⁵

The \$1.65 billion 2008 Environmental Bond Bill includes funding for the deferred maintenance backlog, preservation of open space and agricultural lands, dam repairs, waterways and coastal protection and many other programs. Some specific items include:

1. \$250 million for DCR vehicular bridges.
2. \$75 million for DCR roadways, walkways, landscapes, and street lighting.
3. \$110 million for coastal facilities and ports including renovations for piers, boardwalks, and wharves.

Some of the major capital authorizations in the bill for open space protection include:

1. \$73 million for Department of Fish and Game land acquisition to protect native flora and fauna communities.
2. \$56 million for DCR land acquisition to protect significant Commonwealth natural and cultural resources and enhance DCR’s forest, park, and reservation systems.
3. \$67 million for the APR program (state purchases of development rights to agricultural land to preserve agricultural uses).

¹¹² Commonwealth of Massachusetts Five-Year Capital Investment Plan FY2008-2012, page 38

¹¹³ Commonwealth of Massachusetts Five-Year Capital Investment Plan FY2009-2013, page 47

¹¹⁴ Mass. General Laws, chapter 20, section 23. Under the APR program, the state purchases development rights from owners of agricultural land and, in return, receives restrictions on the land limiting the land to agricultural uses. The land can then be sold only for agricultural purposes and for the value in agricultural use.

¹¹⁵ Several of the spending authorizations from the 2002 environmental bond bill were increased in the FY2007 budget. See Acts of 2006, chapter 139, sections 68 through 80. The total amount of the increase in spending and bond authorizations was \$56 million.

4. \$36 million for the LAND program (assistance to municipalities for acquisition of conservation land).
5. \$53.15 million for the PARC program (assistance to municipalities for park acquisition, construction and restoration).
6. \$25 million for parks in urban neighborhoods currently underserved by parks.

The bond bill authorizes state matching funds of \$50 million for the Water Pollution Abatement Revolving Fund and \$25 million for the Drinking Water Revolving Fund. Federal matching grants of four dollars for every state dollar are provided to these Revolving Funds under the federal Clean Water and Safe Drinking Water Acts. The state revolving fund, which is managed by the State Treasurer, had been awaiting the state matching funds for several years.

The bond bill provides capital authorizations for a wide variety of other programs, projects and uses. For a comprehensive list of the 2008 capital authorizations, please refer to Appendix F to this report.

In addition to providing for new spending authorizations, the bond bill de-authorized a number of older, unused capital accounts totaling \$89.1 million.

Deficient Bridge Program

In addition to the \$250 million in the Environmental Bond Bill for DCR bridges and the \$75 million for DCR parkways, the Structurally Deficient Bridges Bond Bill, enacted in August of 2008, provides \$906 million for DCR bridges.¹¹⁶ This bill, which also includes capital funding for Mass Highway bridges, is funded by the proceeds of grant anticipation notes or “GANs” and special obligation bonds.¹¹⁷

¹¹⁶ Acts of 2008, chapter 233, section 2A, item 2890-0800

¹¹⁷ GANs are so named because they are issued in anticipation of future federal highway grants. The GANs will be repaid from the proceeds of such grants. The special obligation, or revenue, bonds will be repaid from a portion of the state gasoline tax.

ECONOMIC DEVELOPMENT

Secretary Dan O'Connell testified at the Bonding Committee's capital expenditure hearings for the Executive Office of Housing and Economic Development (EOHED). The Secretary discussed the several major economic development initiatives being undertaken by EOHED. The principal new programs and initiatives are the Broadband initiative, the MORE jobs program and the Life Sciences Initiative.

Broadband

In 2008, the Governor filed a bond bill to promote investment in broadband infrastructure in areas of the state currently unserved or underserved by broadband. The Governor's Broadband Bond Bill¹¹⁸ included \$25 million of bond funds for a Massachusetts Broadband Incentive Fund; this amount was increased to \$40 million in the final enacted legislation. The Fund will be administered by the Massachusetts Broadband Institute established by the bond legislation. The Institute is part of the Massachusetts Technology Collaborative.¹¹⁹

Broadband providers have not developed the necessary infrastructure in communities targeted by this bond bill because their relatively low population densities make it uneconomic to do so. Funds from the Broadband Bond Bill are intended to bear part of the cost of the necessary broadband infrastructure and thereby induce providers to invest in the development of such infrastructure in parts of the state that have minimal or no available broadband service. The Fund will invest in long-lived infrastructure assets such as fiber optic cable, conduits and wireless towers, all of which will be publicly-owned.

The state's investment in the necessary infrastructure to provide broadband access in unserved and underserved areas is designed to promote economic development by opening these areas to new businesses. Many businesses will not locate in these areas because of the lack of modern communications technology.

MORE jobs program

The Massachusetts Opportunity Relocation and Expansion (MORE) jobs program provides grants for public infrastructure improvements that support business expansion in the Commonwealth. The program is designed to promote job creation and economic growth. Under this program, grants may be used only for publicly-owned infrastructure such as sewers, utility extensions and water treatment systems. To qualify for grants, projects must create at least 100 new jobs in Massachusetts within 24 months, maintain the new jobs for at least five years and generate substantial sales from outside the state. Applications for grants are made jointly by the municipality and the business involved.

The MORE jobs program has received bond funding from two bills during the past several years. The economic stimulus bill enacted in 2006¹²⁰ created the MORE jobs program and provided \$100 million in general obligation funds for the program. The 2008 General

¹¹⁸ Acts of 2008, chapter 231

¹¹⁹ The statutory name of MTC is Massachusetts Technology Park Corporation. This entity was established under Mass. Gen. Laws, chapter 40J, section 3.

¹²⁰ Acts of 2006, chapter 123

Government Capital Needs Bond Bill¹²¹ provides another \$100 million of state general obligation bond money. The FY2008 and FY2009 capital plans establish a MORE program annual bond spending cap of \$30 million.

During the May 2008 capital expenditure hearing, Secretary O'Connell noted there has been high demand for MORE grants; submitted applications, in total, have more than twice exceeded the amount of available money. The Secretary said that 37 projects applied for a total of \$260.8 million against available funding of \$100 million. For this reason the administration sought and obtained an additional \$100 million for the MORE grant program in the General Government Capital Needs Bond Bill enacted in August 2008.

Life Sciences

This past session saw the enactment of a 10 year, \$1 billion bill to promote investment in and development of the life sciences industry in the Commonwealth.¹²² The legislation includes a bond-funded capital spending authorization of \$500 million, to be expended over the 10 year period. The authorization funds the Massachusetts Life Sciences Investment Fund,¹²³ which is administered by the Massachusetts Life Sciences Center.¹²⁴

The life sciences bill, as filed by the Governor, contained a very general capital spending authorization that left much discretion to the Life Sciences Center as to how the money would be spent.¹²⁵ In the final enacted legislation, the authorization is much more specific, including earmarks for specific programs and projects that use nearly \$300 million of the \$500 million capital appropriation.¹²⁶ Appendix I details the nature and amounts of the earmarks.

Capital Plan

In December 2008, A&F published its new five-year plan for FY2009-2013. The bond-funded spending cap for economic development in FY2009 is \$77.8 million as compared with \$7.6 million for FY08.¹²⁷ The FY2009 cap from all sources of funding is \$84.8 million.¹²⁸

The large increase in the bond cap from 2008 is due to the lack of available bond authorizations in FY2008 for major economic development initiatives.¹²⁹ Please refer to Appendix B for the complete five-year spending plan for economic development.

¹²¹ Acts of 2008, chapter 304

¹²² Acts of 2008, chapter 130

¹²³ See, Mass. Gen. Laws, chapter 23I, section 5. Chapter 23I was added by section 24 of the Economic Stimulus bill, Acts of 2006, chapter 123.

¹²⁴ See, Mass. Gen. Laws, chapter 23I, section 3

¹²⁵ H.4234, section 3, item 7007-9037

¹²⁶ Acts of 2008, chapter 130, section 2B, 7002-0015

¹²⁷ Commonwealth of Massachusetts Five-Year Capital Investment Plan-FY2009-2013

¹²⁸ The FY2008 expenditure cap for all revenue sources is the same as the FY2008 bond cap.

¹²⁹ Commonwealth of Massachusetts Five-Year Capital Investment Plan-FY2009-2013, page 39

HOUSING

At the 2007 and 2008 capital expenditure hearings regarding affordable housing in the Commonwealth, Executive Office of Housing and Economic Development Undersecretary and Director of the Department of Housing and Community Development Tina Brooks testified about the changes in the housing capital plan and the need to address years of underfunded affordable housing programs. She discussed public housing, private affordable housing development, neighborhood stabilization, community development and preservation of existing affordable housing.

Capital Plan

In December 2008, A&F published the five-year capital plan for FY2009-2013. Under the plan, the bond-funded spending cap for housing in FY2009 is \$168.5 million as compared with \$150.3 million for FY2008.¹³⁰ The FY2009 cap from all sources of funding is \$193 million versus the \$165.8 million expenditure limit in FY2008 plan.

Public housing

For FY2008, the public housing modernization program, which provides money for repair, renovation and modernization of the state public housing stock, received a \$34 million increase in bond cap to \$90 million, as well as \$22 million of private activity bond (PAB) volume cap.¹³¹ In FY2009, \$104 million of the spending cap will be allocated to public housing.¹³²

These funds have been directed toward a comprehensive effort to clear up a large backlog of deferred maintenance at the state's approximately 50,000 units of family and senior housing. The backlog resulted from substantial underfunding of the public housing modernization program under previous administrations. At the May 2008 hearing, Undersecretary Brooks commented that the "Public Housing Division inherited a portfolio that had fallen into a profound state of disrepair as a result of 16 years of underfunding." As a consequence of DHCD's effort to address the problem, the department has returned about 1,000 vacant units to occupancy and commenced more than 300 health and safety related projects as of this past year. Despite these efforts, however, DHCD estimates that 3% of the state's public housing units remain unfit for habitation.¹³³

DHCD also undertook another initiative to address public housing needs by working with the Massachusetts Housing Partnership to develop projects that use both private equity and state

¹³⁰ Commonwealth of Massachusetts Five-Year Capital Investment Plan-FY2009-2013

¹³¹ Private activity bonds are tax-exempt bonds issued by a municipality or state to provide low-cost financing for projects undertaken by private entities but which serve a public purpose. Federal law imposes limits, known as "volume cap," on the amount of such bonds that may be issued at the state level each year for non-charitable organizations. A state's volume cap is determined by a formula based on population and a per person dollar amount. Massachusetts law authorizes A&F to allocate volume cap to non-charitable purpose projects by independent public entities including the Massachusetts Educational Financing Authority, the Massachusetts Housing Finance Agency and the Massachusetts Development Finance Agency.

¹³² Commonwealth of Massachusetts Five-Year Capital Investment Plan-FY2009-2013, page 58

¹³³ Commonwealth of Massachusetts Five-Year Capital Investment Plan-FY2009-2013, page 55

bond money. This program will assist development of private affordable housing on housing authority land.

Private housing development

Undersecretary Brooks discussed the administration's efforts to support projects for the development of privately-owned affordable housing units. The two principal programs providing financing for private housing development are the Housing Stabilization Fund (HSF) and the Housing Innovations Fund (HIF). In addition, the Community Based Housing (CBH) and Facilities Consolidation Fund (FCF) provide funding to develop housing for the disabled, mentally ill and mentally retarded. The Home Modification Program assists the physically disabled with home improvements designed to allow them to remain in their homes and avoid more costly institutional settings.

In carrying out private housing development programs, the administration has focused on addressing and preventing homelessness. A substantial portion of HIF has been directed to "innovative and alternative" methods of addressing the homeless problem including development of single unit occupancy housing for homeless individuals, very low-income set asides for housing production targeting homeless families and supportive and accessible housing for seniors and the disabled.

The CBH program is designed to provide housing for disabled individuals, which will allow them to live in the least restrictive setting possible. These housing units are integrated into rental housing developments across the state.

The FCF program provides community-based housing for clients of the Department of Mental Health (DMH) and the Department of Mental Retardation (DMR).¹³⁴ The need for FCF funds is expected to increase as DMR and DMH seek to close institutions and comply with court orders requiring these departments to provide the "least restrictive" levels of care and housing for their clients.

The FY2009 capital spending plan provides \$94 million for the various private affordable housing development programs.¹³⁵

Neighborhood stabilization

For the past two years, DHCD has employed HSF money for the administration's neighborhood stabilization program, which is designed to mitigate the impact of home foreclosures. In several cities, HSF funds have been used to purchase and renovate foreclosed and vacant two and three family properties and keep them as long term affordable rental units. In view of the current worsening of the housing market and the increase in foreclosures, this program should become even more important in stemming the decline of the poorer city neighborhoods.

Undersecretary Brooks said that the HSF program is an important means of producing affordable new workforce housing, including both rental and ownership housing. She cited the

¹³⁴ In accordance with Section 9 of Chapter 182 of the Acts of 2008, the Department of Mental Retardation will be known as the Department of Developmental Services effective July 1, 2009.

¹³⁵ Commonwealth of Massachusetts Five-Year Capital Investment Plan-FY2009-2013, page 58

need to create more affordable housing for workers in order to attract new employers to Massachusetts.

Affordable housing preservation

The Capital Improvements Preservation Fund (CIPF) was established to address the “expiring use” problem where affordable housing is at risk of reverting to market rates. This can occur where an owner of a property with an affordability restriction pre-pays the mortgage and returns the property to market rates. The other situation occurs where a property owner exercises a Section 8 contract “opt out” provision. While the previous administration declined to use CIPF funds to preserve affordable housing, the Patrick Administration has resumed the program. Undersecretary Brooks noted that the “importance of preserving existing housing was not fully understood by the prior Administration.” She said that the Patrick Administration would continue funding for affordable housing preservation. The 2008 Housing Bond Bill included new funding of \$100 million for CIPF, which will provide five years worth of money for affordable housing preservation.¹³⁶

Community Development

The Community Development Action Grant (CDAG) program provides grant money for municipal redevelopment and infrastructure improvements. These are publicly-owned or managed projects that will have a significant positive effect on economic conditions in a city or town. Such projects are designed to leverage private investment and retain long-term employment. DHCD is targeting CDAG funds to develop municipal infrastructure related to workforce housing and mixed-use developments in 40R Smart Growth Districts.¹³⁷

New bond authorizations

A new Housing Bond Bill, chapter 119 of the acts of 2008, was enacted this past August and provided \$1.275 billion in new bond authorizations for affordable housing programs. For detail of the programs and amounts funded in the bond bill, see Appendix F to this report.

¹³⁶ Acts of 2008, chapter 119, section 2, item 7004-0037

¹³⁷ See, Mass. Gen. Laws, chapter 40R

COMMUNITY INVESTMENTS

Under the Patrick Administration's revised capital planning process, capital spending is now categorized by functional investment categories instead of by agency. The capital plan now includes a category known as "community investments", which covers a variety of programs providing grants or loans to municipalities. This category subsumes a number of programs that were formerly included within the separate bond cap of various other state agencies such as transportation and environmental affairs. These programs are further discussed below in this section.

Five-Year Capital Spending Plan

The FY2009-2013 capital spending plan provides for a total of \$1.24 billion of bond-funded spending on a variety of community investment programs. The FY2009 bond cap for these programs is \$254 million compared to \$258 million in FY2008.

The following are some of the major programs and projects funded under the community development investments category in FY2009.

- Grants to cities and towns for local road and bridge projects, commonly known as the "Chapter 90 Program."
- The Public Works Economic Development Program and Small Town Road Assistance Program, which provide funding to cities and towns for local transportation infrastructure projects.
- Loans and grants to cities and towns for drinking water and waste water infrastructure and treatment projects. This program is administered by the Massachusetts Water Pollution Abatement Trust and leverages four federal matching dollars for every state dollar invested.
- Library construction grants to municipalities. This program is administered by the Board of Library Commissioners and is discussed in greater detail on page 44 of this report.
- Grants to municipalities to assist in the acquisition and development of park and recreation facilities and acquisition of conservation land.
- Community Development Action Grants, which assist cities and towns with the development of infrastructure to support the creation of jobs and affordable housing.

In administering community investment grant programs, the administration has retained some aspects of the prior administration's Commonwealth Capital program and application process.¹³⁸

¹³⁸ Commonwealth of Massachusetts Five-Year Capital Investment Plan-FY2009-2013, pages 31-32

MASSACHUSETTS SCHOOL BUILDING AUTHORITY

Katherine Craven, Executive Director of the Massachusetts School Building Authority, testified on behalf of the Authority at both the May 2007 and May 2008 capital expenditure oversight hearings. She noted that the Authority was a major provider of local aid to cities and towns in the Commonwealth, along with such other programs as the Chapter 90 and Chapter 70 grant programs.

The Authority was established as an independent authority by statute¹³⁹ in 2004 to address major problems with the state's system of funding local school building grants. The state provided initial funding to the Authority of \$1 billion in general obligation bond funding¹⁴⁰ as well as \$150 million¹⁴¹ from the General Fund.

The school building program, prior to the establishment of the authority, had 428 projects on a waiting list with no certain date for reimbursement. Districts with approved projects commonly experienced waits of 10 to 15 years before receiving the first reimbursement payment. The total cost of the waiting list projects was \$5.5 billion but there was no dedicated revenue source to meet these costs. There were \$11 billion in state obligations for 1,156 local school projects but no specific funds allocated to meet these obligations. On top of the fiscal problems presented, the state was faced with an audit backlog of more than 800 projects. As a result, the state did not know what amounts it actually owed to communities.

Funding and disbursements

Since the Authority was established, it has fully reimbursed 280 of the waiting list projects; other projects have received an initial payment. As of May 2008, the Authority had paid \$3.8 billion for waiting list projects and had developed a funding solution for the remaining balance owed for such projects. Since its creation, the Authority has disbursed a total of \$5.8 billion, including the funds for waiting list projects, annual payments due on old projects that had been receiving grants in 2000 and prior years, and new projects funded since the expiration of the school building grant moratorium.¹⁴²

The funding sources used to pay for all of these projects and obligations include the \$4 billion of sales tax bonds issued by the Authority, \$1 billion in general obligation commonwealth bonds, \$150 million transferred from the General Fund when the Authority was established, annual receipts from the Authority's share of sales tax revenues and annual payments from the General Fund to achieve the guaranteed minimum amounts established by statute in 2004.¹⁴³

The Authority issued \$2.5 billion of sales tax bonds in July 2005 and another \$1.5 billion in March 2007. These are special obligation bonds that will be repaid with the proceeds of a portion of state sales tax collections paid to the Authority under the 2004 legislation. By 2011,

¹³⁹ Acts of 2004, chapter 208. This legislation amended chapter 70B of the Massachusetts General Laws governing the school building assistance program.

¹⁴⁰ Acts of 2004, chapter 201, section 1

¹⁴¹ Acts of 2004, chapter 210, section 5. This money has been set aside for a program of loans to school districts. Most of this money has been obligated for wait list projects and, therefore, will not be used to fund new projects.

¹⁴² The moratorium expired on July 1, 2007.

¹⁴³ Acts of 2004, chapter 210, section 4

the Authority will receive a full 20% of the state sales tax; sales tax payments to the Authority are being phased in over a 6 year period beginning in FY2006 until FY2011, when the full penny of the sales tax will be paid to the Authority.¹⁴⁴ Through FY2009, the Authority is guaranteed an annual statutory minimum dollar amount. In FY2009, the minimum is \$702,300,000.¹⁴⁵

In FY2008, the state was required to make a payment of \$47 million to the Authority from the General Fund in order to meet the statutory minimum that year of \$634,700,000. An even larger payment from the general fund, estimated at about \$80 million is expected to be required in FY2009 due to further declines in sales tax collections. In each year since the Authority was established, such payments have been required in order to meet the statutory minimum funding.

Beginning in FY2010, the Authority will rely solely on its share of the sales tax (95% of the penny in that year and 100% of the penny in FY2011). In addition, sales tax revenues have been declining for the past year¹⁴⁶ and now show a negative growth rate of 2% compared with the assumed historical annual growth rate of +4.5%. Sales tax collections may decline even further. In addition, the Authority will be burdened with annual payments on old projects through 2023; the Authority will pay \$355 million for such projects this fiscal year. For this reason, a decline in the Authority's revenues and budget is anticipated, which will likely result in scaling back new grants.

Audit program

The Authority has made substantial progress in clearing the audit backlog. The Authority completed more than 700 project audits and had begun nearly all of the remaining audits. The Authority calculates that the audits have resulted in savings of \$700 million for taxpayers and \$2 billion of avoided local interest costs.¹⁴⁷ Audits revealed that the state had been overpaying interest reimbursements due to inflated local estimates of interest costs. In some cases, the audits also uncovered payments for items that were not in the building plan, ancillary items, excess interest and infrastructure that was only partly used for the school.

Wait list projects

The Authority has substantially cleared the \$5.5 billion of wait list projects it was faced with when it was formed in 2004.¹⁴⁸ Only a few projects from the wait list have not yet been funded; these are projects that have been delayed for various other reasons.

The Authority is still making payments on wait list projects and must complete payments for them by next year.

¹⁴⁴ Acts of 2004, chapter 210, section 4

¹⁴⁵ *Id.*

¹⁴⁶ According to the Joint Committee on Revenue.

¹⁴⁷ These are the costs incurred by local districts for borrowing in advance of state reimbursements.

¹⁴⁸ The wait list is defined in section 45 of chapter 208 of the acts of 2004. In general, the wait list consists of projects approved on or before June 30, 2004.

New project applications

When the moratorium on new project funding expired on July 1, 2007, the Authority began reviewing and evaluating new project requests. Requests for SBA grants are made by districts by submitting a “statement of interest.” For FY2008, the Authority received 423 statements of interest (SOI) from 163 school districts. The Authority selected 163 priority projects, one from each district that applied. The Authority is further categorizing these projects. Since many of these projects are still being reviewed, the Authority does not yet have a total dollar amount for the projects approved from the 2007 SOI submissions.

For FY2009, the Authority established a deadline of November 15, 2008 for submitting SOIs. School districts submitted 47 new SOIs, that is, SOIs for projects that had not been previously submitted. In addition, the Authority received 150 “refreshed” SOIs, which are SOIs for projects that districts had submitted the prior year but which were not approved for funding at that time.

The Authority is constrained by a \$500 million annual limit on grants. Under the old program, the state had no annual budget limit for project grant approvals. Another difference is the Authority’s close involvement in the review and development of a project’s scope, design and cost decisions. Formerly, local communities developed the project scope with little or no state involvement resulting in such problems as overbuilt schools with excess capacity and communities that were unable to meet the operational costs of a new building. In addition, under the old program, the state was unable to independently evaluate the need for new projects based on any benchmarks. The Authority has now completed the first needs survey and is following up with more comprehensive and thorough facilities assessments. Finally, the Authority is now verifying enrollment numbers for districts; under the former program, locally derived enrollment estimates were significantly overstated.

For new projects, the Authority has initiated a procedure that funds projects through a series of progress payments. This approach eliminates the need for local borrowing and ensures that the work is being done properly.

Capital maintenance

In order to ensure that, once a school building is constructed or renovated under the program, the local school districts are able to properly maintain the facility, the Authority pays 1% of the school building grant into a local maintenance trust.

Bond ratings

In 2007, the Authority’s underlying bond rating was upgraded by Standard & Poor’s to AA+. Other rating agencies, however, have not so far followed suit. The Fitch rating is AA and the S&P rating is AA2.

Chapter Three

Massachusetts Taxpayers Foundation

MASSACHUSETTS TAXPAYERS FOUNDATION

The Massachusetts Taxpayers Foundation (MTF) was founded in 1932 as a private public policy organization. MTF analyzes and assesses state and municipal fiscal, tax, and economic policies.¹⁴⁹ The organization is governed by five officers and a Board of Trustees.

2007 Capital Hearing Testimony

MTF President Michael Widmer testified at the Bonding Committee's annual capital expenditure hearings in 2007 and 2008. At the 2007 hearing, Mr. Widmer discussed some of the fiscal challenges that the Commonwealth faces. He first focused on what he described as the "incredible backlog of legitimate capital projects in every area" of capital investment. Referring to the report of the Transportation Finance Commission (of which he was a member), Mr. Widmer said that the \$19 billion estimate is the amount of money needed just to maintain, not expand, the state's transportation infrastructure alone. He said that this estimate is conservative.

Mr. Widmer recommended increasing the Commonwealth's financial bond cap to meet the list of capital needs that he described as "daunting." He said, however, that the state should proceed to do so with caution given the state's high level of debt. Mr. Widmer suggested that an increase to \$1.5 billion (the cap was then \$1.25 billion) would be reasonable. While a \$250 million increase would be "significant," he said that it would not resolve the backlog in state capital needs.

Mr. Widmer testified that the state needed additional sources of revenue for transportation needs. In the near term, he said that the state needed to increase the gas tax. For the longer term, he argued that the state needed to develop and implement a tolling system for its highways. Mr. Widmer said that tolls are "the wave of the future."

New funding sources for all types of capital needs are required just to "maintain what we have" Because of the lack of adequate maintenance funding for many state assets such as state buildings, Mr. Widmer said that such assets do not achieve their optimal useful life. Finding sources of revenue for maintenance of state assets is difficult because maintenance needs compete for funding with new projects. For this reason, the state needs to identify a reliable and steady source of maintenance money. Mr. Widmer contended that it is impossible to fund maintenance from the operating budget in a consistent manner.

The second major subject that Mr. Widmer discussed at the 2007 hearing was the need for greater transparency in the capital budgeting process. The Romney Administration had abandoned the five-year capital planning process that had been consistently maintained since 1990 under prior administrations. Mr. Widmer commented that the Romney Administration instead had "invisibly decided how to spend the cap." He said that the administration should develop a project plan for FY2008 with at least the major investment categories for FY2009-2012.

¹⁴⁹ Masstaxpayers.org

2008 Capital Hearing Testimony

By the time of the May 2008 capital expenditure hearings, the Patrick Administration had reinstituted a five-year capital spending plan, which was published in August 2007. Mr. Widmer said that the five-year plan brought a discipline to capital budgeting and spending that was previously lacking. He indicated that the use of the debt affordability analysis for the plan, which established an annual debt service ceiling of 8% of budgeted revenues, was a “reasonable approach.” He said the state could afford the bond-funded spending of the pending bond bills provided that the state adheres to the capital plan.

Discussing the increase in the administrative bond cap, Mr. Widmer pointed out that the ability to increase the amount of bond-funded spending assumes annual revenue growth of 3% but that this assumption might not hold up in the event of an economic downturn. Subsequent events have borne out Mr. Widmer’s warning in this regard. The effect of the current recession on the state’s fiscal condition has resulted in a revision of the debt affordability analysis and a curtailment of the long term capital program. In revising its debt affordability analysis and capital plan for FY2009-2013, the administration has reduced its revenue growth assumptions for FY2009 and FY2010 to zero percent.

Recent MTF Comments

Recently, Mr. Widmer spoke about the administration’s capital investment plan within the context of the current economic climate. He said the administration should refrain from increasing the bond cap from its current level of \$1.5 billion to \$1.625 billion because the anticipated percentage of revenue growth was overestimated. Mr. Widmer expected that amount of capital funding for the bridge repair program would need to be reduced.¹⁵⁰

MTF Testimony regarding bridge program

At a Bonding Committee hearing on the Structurally Deficient Bridge Bond Bill, Mr. Widmer addressed the administration’s proposal regarding the accelerated program to repair the state’s structurally-deficient bridges. He pointed out that the state faced a \$20 billion transportation funding shortfall with no expansion of infrastructure. Saying that there is “no escape from the problem,” he argued that the state will need new revenues such as user fees and additional gas taxes, especially since the federal government is reducing its funding of state transportation projects.

Mr. Widmer said that not acting to address the bridge problem would be more expensive because of further infrastructure dilapidation and rising construction costs. He said that the bridge program, however, does not close the transportation funding gap “by a penny.” The use of grant anticipation notes (GANs) to fund the program will mean that there will be less money for other projects. Currently, one-third of federal highway grants, about \$175 million, go to repay outstanding GANs. Similarly, the \$1.9 billion of gas tax bonds to be issued for the bridge program are backed by revenues that the state already receives and uses. Mr. Widmer questioned how, since the gas tax bonds do not represent new money, the state will issue the

¹⁵⁰ See, *Patrick’s Capital Plan Delayed, Dogged by Affordability, Credit Concerns*, State House News Service, November 10, 2008.

bonds within the existing bond cap. Like the use of GANs to finance the bridge program, the issuance of the gas tax bonds will have consequences for the rest of the transportation program in the out years.

Mr. Widmer expressed the view that the Massachusetts Highway Department (MHD) does not currently have the capacity to manage the bridge repair program and that the Department of Conservation and Recreation (DCR) has even less capacity to handle such a large undertaking. He said that such capacity will have to be developed to successfully implement, manage and complete the deficient bridge repair program.

Another problem with the bridge program cited by Mr. Widmer was the lack of a clear management plan as part of the bridge program. This concern has been addressed by the inclusion in the bridge program legislation of several project management and reporting requirements. The council is required to submit a bridge preservation and repair plan for calendar years 2009 through 2011.¹⁵¹ By the end of October 2011, the council must file a report documenting compliance with requirements regarding on-time and on-budget completion.¹⁵² The legislation also requires the council to implement internal project controls and to submit periodic reports detailing such controls.¹⁵³ Finally, the council must submit bi-annual reports on the progress and all expenditures related to bridge projects under the program.¹⁵⁴

Concluding his comments about the bridge program, Mr. Widmer noted that many of the deficiencies in the state's bridges resulted from moving funds for bridge maintenance to the Central Artery and Tunnel project. He said that the bridge program would similarly shift funds for other road maintenance needs to bridge repairs. Mr. Widmer posed the question of what consequences the accelerated bridge program would have for other parts of the state's highway system.

¹⁵¹ Acts of 2008, chapter 233, section 19. This plan has been completed and submitted in accordance with the statute.

¹⁵² *Id.*

¹⁵³ *Id.*, section 17

¹⁵⁴ *Id.*, section 16, the first such report was submitted in early January 2009.

Chapter Four

Committee Recommendations

RECOMMENDATIONS

As discussed in the introduction and overview Chapter One of this report, the administration adopted and implemented in whole or in part most of the recommendations contained in the Committee's 2006 Annual Report. Due to fiscal and other constraints, it has not been feasible to implement the same recommendations.

Among those recommendations that the administration has implemented are the development of a comprehensive and detailed five year capital spending plan, including all capital spending and borrowing, indirect and contract assistance obligations in the capital spending plan, increasing the administrative bond cap, employing the most cost effective and prudent borrowing methods, committing more capital funds to current and deferred maintenance, de-authorizing older and unused capital spending authorizations, and increasing the state's commitment to open space preservation.

In other cases, the administration has taken steps to implement the Committee's recommendations but has not been able to complete or continue the process. The Committee has recommended using operating surpluses when available for capital projects and programs. In 2007, the administration and the Treasurer applied \$40 million of operating funds to defease higher interest rate bonds. Because of the deterioration in the economy and the state's fiscal situation, however, there is no surplus to continue this program in the foreseeable future.

The administration also attempted to move operating costs off of the capital budget. The Governor's proposed FY2008 budget included \$50 million to move personnel costs, primarily those of MassHighway, from the capital to the operating budget. This money, however, was not included in the enacted budget. Another action by the administration is the inclusion of \$250 million in the General Government Capital Needs Bond Bill for general equipment purchases that have been made from operating budgets in the past. This would offset and allow a like amount of personnel costs to be moved back to the operating budget. Again, because of the state's budget situation, it may prove difficult to transfer any personnel costs from bond funded accounts to the operating budget. In addition to these steps, there are recent statutory mandates to return personnel to the operating budget. The FY2009 budget includes a provision requiring the administration to move up to 652 employees to the operating budget by the end of 2012 and the second Transportation Bond Bill requires the Secretary of Transportation to submit a detailed timeline and funding schedule for the transfer of MassHighway employees to the operating budget. These provisions and the current status of the state's efforts to implement the transfer of employees off of the capital budget are discussed in Chapter One.

The Committee recommended enactment of legislation to reform the state surplus land disposition laws. The administration agreed that the surplus land disposition procedure needed to be amended and filed proposed legislation reflecting its view on how the process should be changed. This bill and a number of other bills to amend the surplus land disposition statutes, however, did not advance in the Legislature this past session.

The following recommendations include those that the administration was unable to partly or fully implement during this past legislative session. The Committee believes, however, that the state should continue efforts to achieve the goals set forth in these recommendations.

Continue to implement and employ capital spending and planning procedures already commenced

The Committee is pleased with the actions the administration has taken to develop a detailed and transparent five-year capital plan that includes most state borrowing and spending, the use of the most cost effective borrowing methods (including the refinancing of indirect and contract assistance debt obligations that had been kept outside of the borrowing limit), an emphasis on addressing the deferred maintenance problem, the de-authorization of \$271 million of unused capital accounts and the increase of funding in the capital plan for open space protection. The Committee recommends continued efforts along these lines.

Use operating funds when available for capital projects and programs

In the current fiscal climate, the state does not have operating funds available for capital purposes and thus cannot continue with this approach for the foreseeable future. When economic conditions permit, however, the state should make some surplus funds available to help address the state's substantial, unmet capital needs.

Eliminate operating costs from the capital budget

Although the administration has made some efforts to remove personnel costs from the capital budget, the objective of reducing the number of personnel paid from the capital budget has not yet been achieved. Economic and fiscal conditions may preclude any progress toward this goal for some time but, when feasible, the state should take steps to move personnel back to the operating budget. Doing so will free up about \$250 million of the capital budget now spent on personnel and make it available for true capital investment. This approach will also eliminate the substantial additional debt service expense, (about 60 cents on every dollar assuming a 20 year bond term) that the state incurs by capitalizing personnel and other administrative costs.

Amend statutory provisions governing the disposition of state surplus land

The current statutory procedures governing state surplus land dispositions should be amended. A number of bills to amend the statute were filed during the past two legislative sessions. In 2006, the House and Senate did not reconcile differences between their respective versions of surplus land bills by the end of the session. Although a number of similar bills were filed during this past session, including by this Committee and the Governor, the surplus land legislation has not moved forward. The effort to revamp the surplus land statute should be continued in order to provide for a more expeditious and efficient procedure that, at the same time, preserves legislative and local input and control.

Chapter Five

Appendices

- A. Explanation of Terms*
- B. FY2009-FY2013 Capital Investment Plan Summaries*
- C. FY2009 Capital Investment Plan – All Sources and by Category*
- D. FY2008-FY2009 Capital Investment Comparisons*
- E. Authorized But Unissued General Obligation Debt – FY1992-FY2009*
- F. Summary of New Bond Authorizations - 2008 Bond Bills*
- G. Courthouse Projects*
- H. Higher Education Bond Bill Earmarks*
- I. Life Sciences Bond Bill Earmarks*
- J. 2006 Bonding Committee Recommendations*
- K. 2007-2008 Bonding Committee Bills Log*

APPENDIX A

Explanation of Terms

There are a number of terms, concepts and procedures related to state borrowing that may be unfamiliar to many of those who may read this report. For this reason, the following seek to define and explain these in a readily understandable way.

What is a bond?

A bond is a security that a government or corporation issues as a way to borrow money. The bond represents a debt owed by the bond issuer to the purchaser of the bond and the obligation to repay the debt. The state issues bonds through an underwriter who will sell the bonds to investors. Investors buy the bonds and the purchase money goes to the state, which then uses the money for authorized capital projects. The state or other issuer must repay the purchasers the principal (the face amount of the bond) by the maturity date of the bond. The issuer also must make interest payments to bondholders, generally twice each year.

What is the difference between a "general obligation bond" and a "special obligation bond" (also known as a "revenue bond")?

A general obligation bond is backed by the "full faith and credit" of the state. This means that all of the revenues and assets of the state are available for repayment. General obligation bonds are repaid by debt service appropriations from the General Fund. Each budget contains a line item appropriating the amount of the debt service due in that fiscal year. In the FY2009 budget, the general obligation debt service appropriation is \$1.8 billion.

A special obligation bond (SOB), also known as a revenue bond, is backed by and repaid from specific revenue source. It is not backed by the full faith and credit of the state and is not paid from general revenues. An example of revenue bonds are those issued to pay for the construction of the Boston Convention and Exhibition Center. These bonds are paid solely from special revenues, including additional tourism-related hotel, sales and meals taxes and surcharges on car rentals and tour tickets. These special surtaxes and surcharges are deposited to a separate fund, which is then used to pay the principal and interest on the bonds.

What is a note?

A note differs from a bond in that it is generally issued for a shorter term than a bond. One kind of note is a "bond anticipation note" (BAN). BANs are commonly issued before the longer term bonds are sold. BANs will typically be issued for a one year term but may be renewed for additional one year terms. Once the state is ready to issue the bonds, the BANs will be paid off from the proceeds of the bond sale.

What is a grant anticipation note?

Another type of note is a "grant anticipation note" or GAN. GANs were first issued to finance the Central Artery and Third Harbor Tunnel project, commonly known as the "Big Dig." GANs were needed to bridge the funding gap between immediate construction cost needs and future federal highway reimbursements. During certain years of the project, those costs exceeded the rate at which federal grants were being received. Thus, the GANs were issued in anticipation of future federal highway grants. The state will be issuing new GANs to finance a portion of the accelerated structurally-deficient bridge program.

GANs differ from other notes in that they are longer term than typical notes. In addition, the GANs are secured by a pledge of future federal highway reimbursements. Thus, once federal grants are received, the funds go into a grant anticipation note trust fund and are used first to pay debt service on GANs. Currently, about \$175 million or one-third of federal highway grants are used to pay debt service on GANs.

What is debt service?

The term "debt service" refers to required payments on borrowings including state bonds and notes. Debt service consists of repayments of the principal amount of the bonds plus accrued interest.

What is a bond rating?

Certain companies, such as Moody's Investor Service, issue ratings of the governments and companies that issue bonds. The ratings are an assessment of the creditworthiness of bond issuers, much like the creditworthiness of individuals is rated in credit reports. The ratings tell an investor, using a letter/number designation ("AAA" being the best rating for Moody's) how likely the issuer will be able to pay the principal and interest on its bonds in full and on time. Other major companies that rate government debt are Standard & Poor's and Fitch Ratings.

What is the administrative bond cap?

The administrative bond cap is the limit on the amount of money that may be spent annually from bond funds. The bond cap was first instituted in 1991. The limit is not provided for by statute but is established by the Executive Office for Administration and Finance. The Executive branch has increased the bond cap from time to time over the years. In 2007, the Patrick administration increased the bond cap for fiscal year 2008 from \$1.25 billion to \$1.5 billion. The administration increased the bond cap again for FY2009 and has scheduled additional increases for several subsequent years.

The overall capital spending limit in some cases is higher than the bond-funded spending cap. Some investment categories, particularly transportation, receive money for capital projects from third party sources. For transportation, the state receives large federal highway reimbursements annually, which are included in the transportation spending cap.

What is the capital spending plan?

The capital spending plan is a budget established by the Executive Branch that specifies how bond funds and other money for capital projects will be spent during a particular time period. The administration annually develops and publishes a five-year capital spending plan that shows how much money will be allocated to the various capital investment categories in each year. The spending plan divides up the amount of money in the annual bond or capital spending cap. Under the plans published by the Patrick administration in 2007 and 2008, the first year of the plan shows the amount that will be spent for each specific project in the plan. For the remaining four years, the plan shows the planned allocations only by capital investment category.

The capital budget, as set forth in the capital spending plan, differs from the operating budget in that it is paid for by borrowing money through the issuance of bonds. The operating budget, of course, is funded by the state's general revenues. The capital budget pays for items and projects, such as roads and buildings that have sufficiently long useful life to justify paying for them over a period of years.

How are bonds authorized?

Bonds and other kinds of debt obligations must be authorized by legislation. Bond bills include a section or sections that authorize the state treasurer to issue and sell bonds. These sections are known as "bond authorizations."

What is a bond authorization?

A bond authorization is a section in a bond bill that authorizes the state treasurer, at the request of the Governor, to issue and sell bonds of the Commonwealth. The authorization specified the kind of bond, e.g. whether general or special obligation, the total amount of bonds authorized

and the maximum term of the bonds. The authorization states that the Governor shall recommend the term of the bonds as required under Article 62 of the amendments to the state constitution.

What is a capital spending authorization?

Capital spending authorizations are the particular spending items authorized in bond bills and funded from the bonds authorized in the corresponding bond authorization section. Capital spending authorizations are somewhat like appropriations in the budget but are for specific capital projects or programs and are funded from bond proceeds.

For how long is a capital spending authorization valid?

State law provides that a capital spending authorization is valid for a period of five years. Unless the authorization is extended by legislation, it will expire and can no longer be used. Each year, the state enacts legislation to extend the term of unused capital spending authorizations that are due to expire but are still needed.

What is authorized and unissued debt?

This refers to bond-funded spending authorizations that have not been used. Once bond-funded accounts are authorized, money can be spent from these accounts at any time until the account expires or is de-authorized. The part of a bond-funded authorization that has not been spent at any given time is referred to as "authorized and unissued." The state comptroller issues regular, periodic reports on the amount of unused bond authorizations.

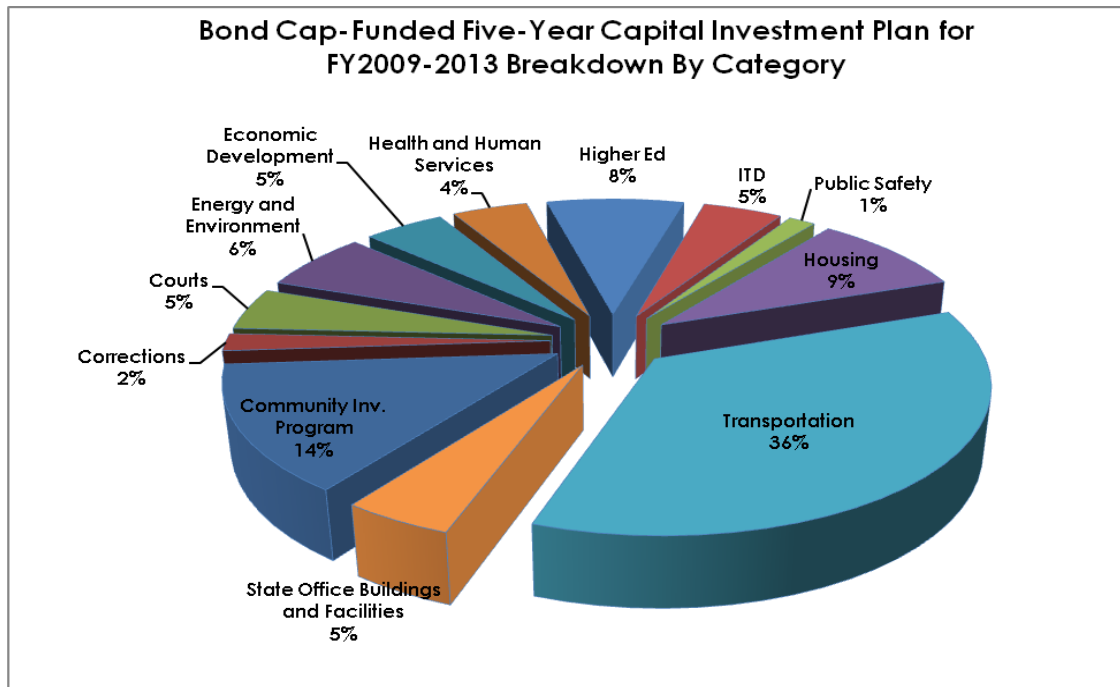
Are there any legal limits on the amount of money the state can borrow?

Yes. While the administrative bond cap is not required or set by law, there are also statutory limits on the amount of debt the state can have any one time and the percentage of the budget that may be used for debt service payments. Mass. Gen. Laws, chapter 29, section 60A establishes a limit on the total amount of direct debt the state may have outstanding at one time. The statute established an initial limit in 1989 and provides for an annual 5% increase in the amount of the limit. Thus, debt outstanding for a fiscal year cannot exceed 105% of the amount of debt outstanding during the previous fiscal year. As mentioned, the limit applies only to *direct* debt of the Commonwealth and, therefore, doesn't cover such indirect obligations as contract assistance (state payments to a separate entity to pay debt service on bonds issued by that entity). Refunding bonds, which are used to refinance existing higher interest bonds, are also excluded from the debt limit.

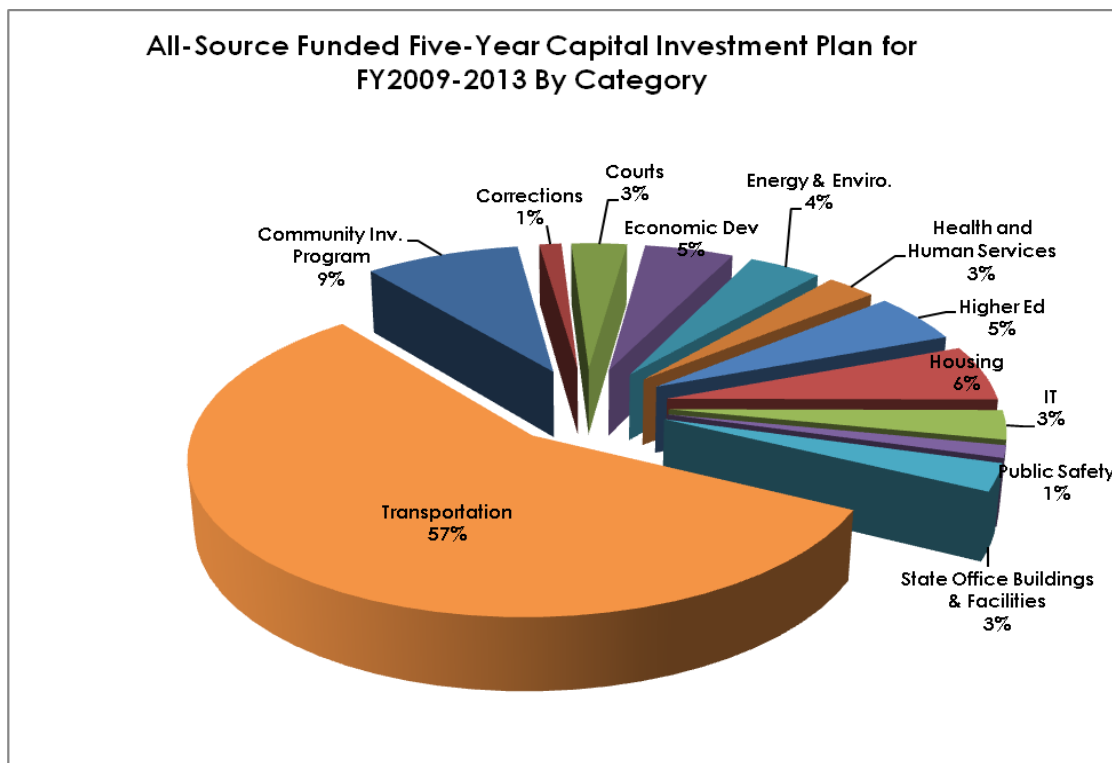
Mass. Gen. Laws, chapter 29, section 60B limits annual debt service payments for general obligation bonds to 10% of total budgetary appropriations. Because this limit applies only to general obligation bonds, debt service on other kinds of debt, such as special obligation bonds, is not included.

APPENDIX B

Bond Cap-Funded Five-Year Capital Investment Plan for FY2009-2013 By Category							
Category	FY2009	FY2010	FY2011	FY2012	FY2013	5-Year Total	%
Community Inv. Program	\$253,971,000	\$243,968,000	\$248,417,000	\$248,406,000	\$242,743,000	\$1,237,505,000	13.88%
Corrections	\$26,948,000	\$22,244,000	\$30,744,000	\$39,587,000	\$51,602,000	\$171,125,000	1.92%
Courts	\$129,075,000	\$131,600,000	\$50,800,000	\$39,550,000	\$65,100,000	\$416,125,000	4.67%
Energy and Environment	\$122,814,000	\$113,442,000	\$118,414,000	\$114,972,000	\$108,920,000	\$578,562,000	6.49%
Economic Development	\$77,816,000	\$83,464,000	\$80,500,000	\$87,000,000	\$92,000,000	\$420,780,000	4.72%
Health and Human Services	\$68,530,000	\$81,920,000	\$89,500,000	\$84,700,000	\$71,534,000	\$396,184,000	4.44%
Higher Education	\$72,534,000	\$116,185,000	\$168,530,000	\$173,003,000	\$190,045,000	\$720,297,000	8.08%
Information Technology	\$87,047,000	\$82,666,000	\$82,726,000	\$81,735,000	\$82,218,000	\$416,392,000	4.67%
Public Safety	\$27,416,000	\$27,636,000	\$30,047,000	\$28,647,000	\$26,072,000	\$139,818,000	1.57%
Housing	\$168,500,000	\$166,000,000	\$161,000,000	\$161,000,000	\$161,000,000	\$817,500,000	9.17%
Transportation	\$608,508,000	\$581,224,000	\$621,340,000	\$657,262,000	\$721,652,000	\$3,189,986,000	35.78%
State Office Buildings and Facilities	\$84,119,000	\$75,729,000	\$80,581,000	\$84,138,000	\$87,115,000	\$411,682,000	4.62%
TOTAL	\$1,727,278,000	\$1,726,078,000	\$1,762,599,000	\$1,800,000,000	\$1,900,001,000	\$8,915,956,000	100%
Source: Commonwealth of Massachusetts Five-Year Capital Investment Plan-FY2009-2013, page 24.							

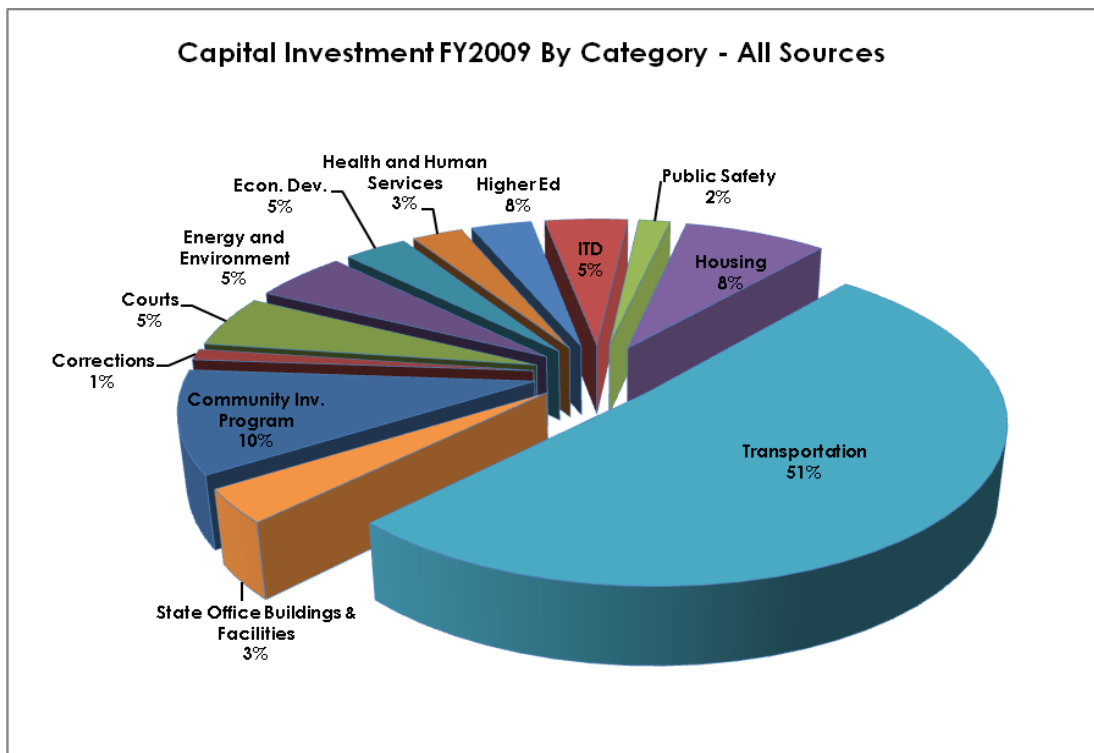


All-Source Funded Five-Year Capital Investment Plan for FY2009-2013 By Category							
Category	FY2009	FY2010	FY2011	FY2012	FY2013	5-Year Total	%
Community Inv. Program	\$253,971,000	\$243,968,000	\$248,417,000	\$248,406,000	\$242,743,000	\$1,237,505,000	8.65%
Corrections	\$27,348,000	\$25,244,000	\$33,744,000	\$39,587,000	\$51,602,000	\$177,525,000	1.24%
Courts	\$129,075,000	\$131,600,000	\$61,446,000	\$48,227,000	\$74,046,000	\$444,394,000	3.10%
Economic Development	\$84,816,000	\$128,464,000	\$165,500,000	\$167,000,000	\$167,000,000	\$712,780,000	4.98%
Energy and Environment	\$125,014,000	\$116,442,000	\$118,614,000	\$114,972,000	\$108,920,000	\$583,962,000	4.08%
Health and Human Services	\$68,530,000	\$81,920,000	\$89,500,000	\$84,700,000	\$71,534,000	\$396,184,000	2.77%
Higher Ed	\$81,634,000	\$120,985,000	\$174,530,000	\$179,003,000	\$190,045,000	\$746,197,000	5.21%
Housing	\$193,000,000	\$166,000,000	\$161,000,000	\$161,000,000	\$161,000,000	\$842,000,000	5.88%
Information Technology	\$111,887,000	\$82,666,000	\$82,726,000	\$81,735,000	\$82,218,000	\$441,232,000	3.08%
Public Safety	\$42,566,000	\$45,636,000	\$39,547,000	\$31,147,000	\$26,072,000	\$184,968,000	1.29%
State Office Buildings & Facilities	\$84,119,000	\$75,729,000	\$80,581,000	\$84,138,000	\$87,115,000	\$411,682,000	2.88%
Transportation	\$1,259,083,000	\$1,313,380,000	\$1,589,347,000	\$1,865,198,000	\$2,106,886,000	\$8,133,894,000	56.83%
TOTAL	\$2,461,043,000	\$2,532,034,000	\$2,844,952,000	\$3,105,113,000	\$3,369,181,000	\$14,312,323,000	100.00%
Source: Commonwealth of Massachusetts Five-Year Capital Investment Plan-FY2009-2013, page 24.							

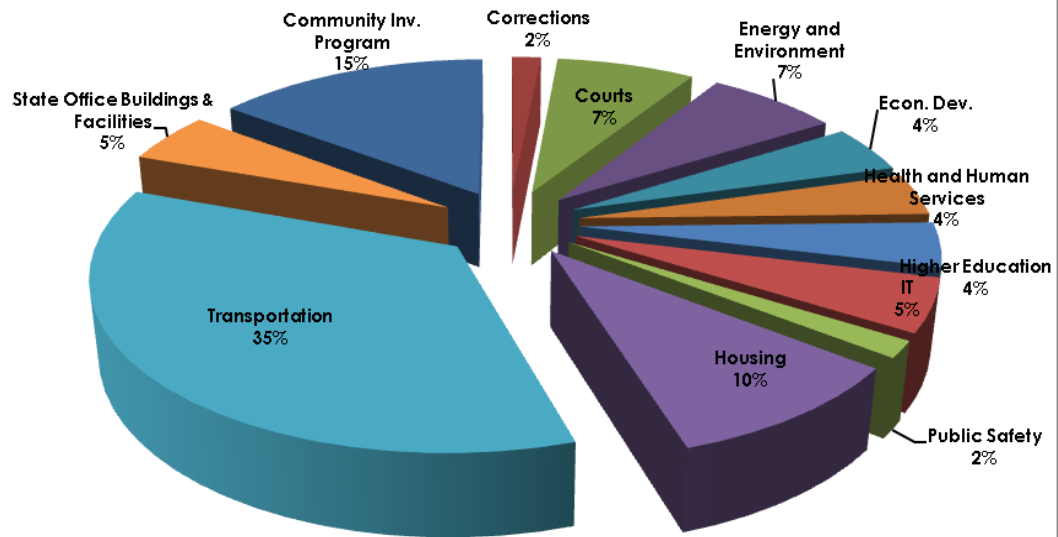


APPENDIX C

FY2009 Capital Investment By Category - All Sources							
Category	FY2009 Bond Cap	FY2009 Federal	FY2009 Third Party	FY2009 Accelerated Bridge Pgrm.	FY2009 Project Bond Funded	FY2009 Total	
Community Inv. Program	\$253,971,000	\$0	\$0	\$0	\$0	\$253,971,000	10.32%
Corrections	\$26,948,000	\$0	\$400,000	\$0	\$0	\$27,348,000	1.11%
Courts	\$129,075,000	\$0	\$0	\$0	\$0	\$129,075,000	5.24%
Energy and Environment	\$122,814,000	\$1,700,000	\$500,000	\$0	\$0	\$125,014,000	5.08%
Economic Development	\$77,816,000	\$0	\$0	\$0	\$7,000,000	\$84,816,000	3.45%
Health and Human Services	\$68,530,000	\$0	\$0	\$0	\$0	\$68,530,000	2.78%
Higher Education	\$72,534,000	\$0	\$9,100,000	\$0	\$0	\$81,634,000	3.32%
Information Technology	\$87,047,000	\$24,791,000	\$50,000	\$0	\$0	\$111,887,000	4.55%
Public Safety	\$27,416,000	\$0	\$0	\$0	\$15,150,000	\$42,566,000	1.73%
Housing	\$168,500,000	\$0	\$24,500,000	\$0	\$0	\$193,000,000	7.84%
Transportation	\$608,508,000	\$399,674,000	\$86,000,000	\$164,900,000	\$0	\$1,259,082,000	51.16%
State Office Buildings & Facilities	\$84,119,000	\$0	\$0	\$0	\$0	\$84,119,000	3.42%
TOTAL	\$1,727,278,000	\$426,165,000	\$120,550,000	\$164,900,000	\$22,150,000	\$2,461,042,000	100%
Source: Commonwealth of Massachusetts Five-Year Capital Investment Plan-FY2009-2013.							



Capital Investment FY2009 By Category - Bond Cap Funded



APPENDIX D

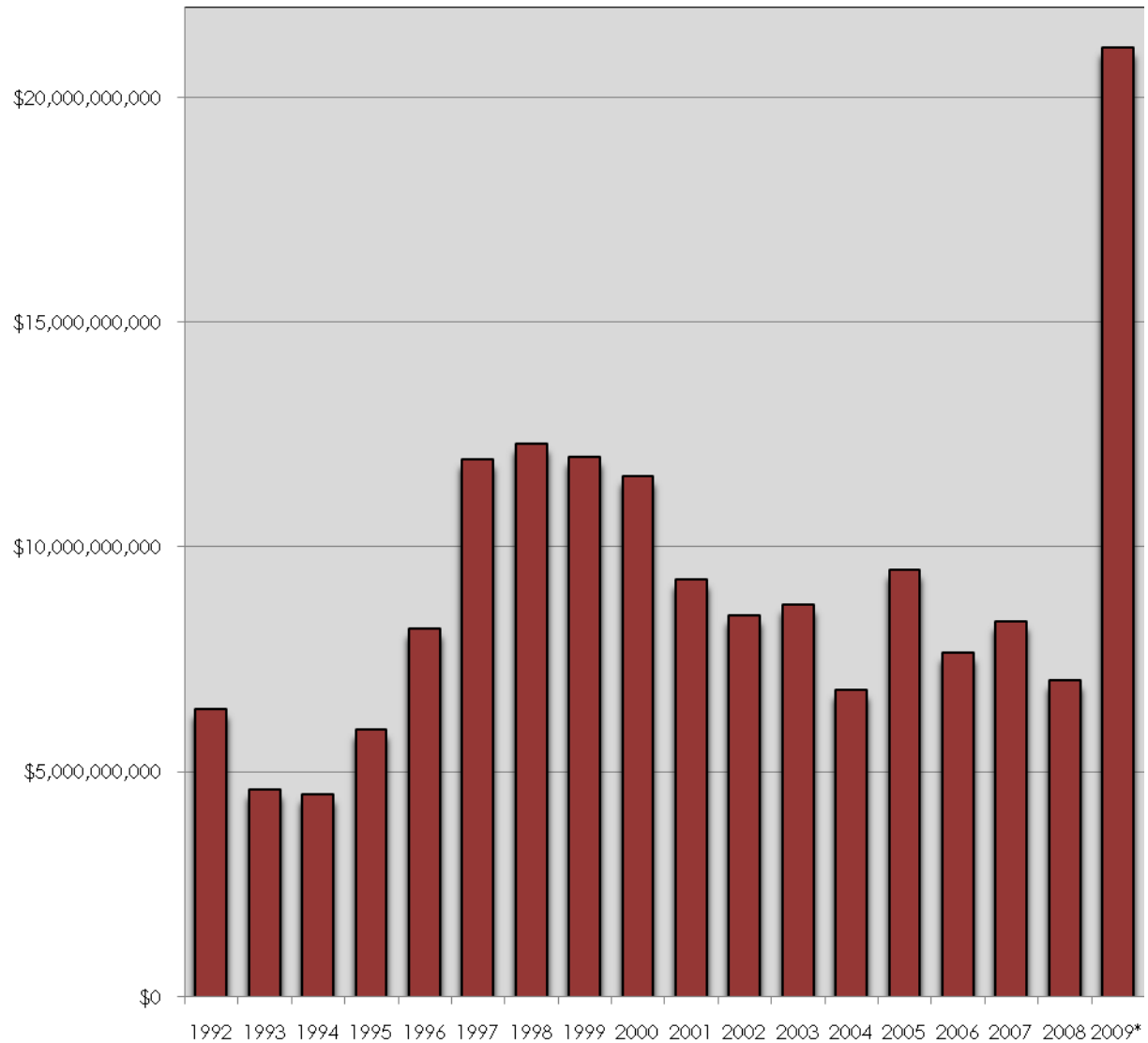
FY2008 vs. FY2009 Bond Cap by Major Investment Category (in thousands)				
Category	FY08	FY09	Difference	% Change
Community Investment	\$257,900	\$253,971	-\$3,929	-1.52%
Corrections	\$15,600	\$26,948	\$11,348	72.74%
Courts	\$49,300	\$129,075	\$79,775	161.82%
Economic Development	\$7,600	\$77,816	\$70,216	923.89%
Energy and Environment	\$143,400	\$122,814	-\$20,586	-14.36%
Health and Human Services	\$18,800	\$68,530	\$49,730	264.52%
Higher Education	\$29,700	\$72,534	\$42,834	144.22%
Housing	\$150,300	\$168,500	\$18,200	12.11%
Information Technology	\$44,500	\$87,047	\$42,547	95.61%
Public Safety	\$29,700	27,416	-\$2,284	-7.69%
State Office Buildings and Facilities	\$54,300	\$84,119	\$29,819	54.92%
Transportation	\$518,500	\$608,509	\$90,009	17.36%
Total Capital Plan	\$1,319,600	\$1,727,279	\$407,679	30.89%

FY08 vs. FY09 Total Spending by Major Investment Category (in thousands)				
Category	FY08	FY09	Difference	% Change
Community Investment	\$257,900	\$253,971	-\$3,929	-1.52%
Corrections	\$15,600	\$27,348	\$11,748	75.31%
Courts	\$49,300	\$129,075	\$79,775	161.82%
Economic Development	\$7,600	\$84,816	\$77,216	1016.00%
Energy and Environment	\$143,400	\$125,014	-\$18,386	-12.82%
Health and Human Services	\$18,800	\$68,530	\$49,730	264.52%
Higher Education	\$29,700	\$81,634	\$51,934	174.86%
Housing	\$165,800	\$193,000	\$27,200	16.41%
Information Technology	\$64,700	\$111,887	\$47,187	72.93%
Public Safety	\$29,700	\$42,566	\$12,866	43.32%
State Office Buildings and Facilities	\$54,300	\$84,119	\$29,819	54.92%
Transportation	\$945,600	\$1,259,082	\$313,482	33.15%
Total Capital Plan	\$1,782,400	\$2,461,042	\$678,642	38.07%

Source: Commonwealth of Massachusetts Five-Year Capital Investment Plan-FY2009-2013, pages 26-27.

APPENDIX E

Commonwealth of Massachusetts Authorized But Unissued General Obligation Debt FY1992 - FY2009



*The amount for each year is stated as the end of the fiscal year except FY09; the FY09 amount is as of 1/7/2009 and will be reduced by the amount of bond-funded spending through 6/30/2009.
Source: CAFRs 1992-2007, SBFR 2008. Office of the Comptroller.

APPENDIX F

Summary of New Bond Authorizations - 2008 Bond Bills			
BOND BILL			
Section	Account	Description	Amount
BROADBAND BOND BILL, Chapter 231 of the Acts of 2008			
Section 2	1599-7060	For a reserve to provide funds for the Massachusetts Broadband Incentive Fund.	<u>\$40,000,000</u>
Section 7		GO Authorization for Section 2	<u>\$40,000,000</u>
DEFICIENT BRIDGES BOND BILL, Chapter 233 of the Acts of 2008			
Section 2	6033-0800	For design, construction, and repair costs to Bridges under control of MDH and not the MTA or the MBTA.	\$2,078,000,000
Sec. 2A	2890-0800	For design, construction, and repair costs under the control of DCR and not the MTA or MBTA.	\$906,000,000
TOTAL CAPITAL SPENDING AUTHORIZATIONS			<u>\$2,984,000,000</u>
Section 7		GAN Authorization for Section 2 and 2A	\$1,108,000,000
Section 8		Special Obligation Authorization for Sections 2 and 2A	\$1,876,000,000
TOTAL GAN AND SO BOND AUTHORIZATIONS			<u>\$2,984,000,000</u>
ENVIRONMENTAL BOND BILL, Chapter 312 of the Acts of 2008			
Section 2			
Sec. 2A	0526-2010	Massachusetts Historical Commission funds.	\$30,000,000
	0620-1000	For the Water Pollution Abatement Revolving Fund.	\$50,000,000
	0620-2000	For the Drinking Water Revolving Funds.	\$25,000,000
	1100-2500	Improvements to port area coastal facilities.	\$110,180,000
	1102-5000	Modernization of the Senator William X Wall experimental station in Lawrence.	\$8,000,000
	1102-6000	State facility energy and water savings technologies.	\$30,000,000
	1102-7000	Cronin Field Headquarters Building rehabilitation and construction.	\$25,000,000
	2000-7013	For the LAND grant program.	\$36,000,000
	2000-7014	For the PARC program to assist municipalities with land acquisition.	\$53,150,000
	2000-7015	For urban park acquisition, development and construction.	\$25,000,000
	2000-7016	Conservation partnership grant program assisting Non profits.	\$7,000,000
	2000-7018	For study, protection, and preservation of coasts and shores.	\$24,325,000
	2000-7022	For employee and consultant services of DCR, DFG, DAR, and DEP.	\$13,000,000
	2000-7023	Infrastructure and holdings improvements and replacements for the Executive Office of Energy and Environmental Affairs.	\$2,000,000
	2000-7024	Restorations of commonwealth's natural resources affected hazardous materials and substances.	\$1,500,000
	2000-7025	Account including funds for project integration, aquatic life protection, and mitigation and adaptation to climate change.	\$24,850,000
	2200-7011	For water quality assurance and protection in order to meet commonwealth and federal standards.	\$11,350,000
	2200-7012	For the operation of DEP's air monitoring network.	\$4,850,000
	2200-7013	For the discovery and cleanup of threatening solid waste facilities.	\$13,000,000

Section	Account	Description	Amount
	2200-7014	For DEP's 'eDEP' information technology reporting system.	\$20,000,000
	2200-7015	For assessment, cleanup and control of hazardous materials.	\$44,000,000
	2200-7017	To assist municipalities with maintaining and acquiring easements.	\$21,325,000
	2200-7018	For the preservation of drinking water quality and reliability.	\$25,000,000
	2300-7010	For DFG preservation of native flora and fauna communities.	\$73,000,000
	2300-7011	DFG infrastructure and holdings improvements, replacements.	\$12,950,000
	2300-7013	For protecting rare and endangered plant and animal species.	\$9,980,000
	2300-7014	For upland habitat management including fighting exotic species.	\$16,500,000
	2300-7015	For river restoration programs in the division of river ways in DFG.	\$10,000,000
	2300-7016	For development of coastal and inland access sites for boats.	\$11,500,000
	2300-7017	For the Comprehensive Wildlife Conservation Strategy and investigating the impacts of climate change.	\$10,450,000
	2300-7018	For marine fishery resources.	\$7,475,000
	2500-7012	To acquire agricultural preservation restrictions.	\$67,750,000
	2500-7013	For programs to address environmental sustainability.	\$30,000,000
	2500-7014	For the agricultural environmental enhancement program.	\$3,000,000
	2800-7011	For the acquisition of land and all costs associated by DCR.	\$56,875,000
	2800-7012	For federal Clean Water Act storm water compliance.	\$30,000,000
	2800-7013	For forest mangagement and conservation.	\$10,000,000
	2800-7015	To protect historic and natural landscapes.	\$12,400,000
	2800-7016	For the construction and rehabilitation of state and municipal dams.	\$48,566,000
	2800-7017	Lake, pond and watershed protection and rehabilitation.	\$4,875,000
	2800-7018	For a state-federal U.S. Geological Survey cooperation.	\$25,000,000
	2800-7019	For plans and design of department properties and facilities.	\$5,000,000
	2800-7022	Ecological and economic integrity preservation of private forests.	\$4,000,000
	2800-7097	Construction and rehabilitation of navigable waterways.	\$22,250,000
	2800-7098	Coastal harbor and waterway dredging projects.	\$5,000,000
	2840-7014	For design, construction, and rehabilitation of department resources including reservations, parks, harbor islands, and beaches.	\$205,732,000
	2840-7017	Food control and water shed facility construction and rehabilitation.	\$29,820,000
	9300-7010	For greenhouse gas emission reduction.	\$2,500,000
	9300-7909	For an energy conservation improvement program.	\$13,250,000
Section 2A Subtotal			\$1,332,403,000
Section 2C	2890-7010	For the construction and rehabilitation of DCR transportation infrastructure.	\$74,950,000
	2890-7011	For the construction and rehabilitation of DCR bridges.	\$250,000,000
Section 2C Subtotal			\$324,950,000
TOTAL CAPITAL SPENDING AUTHORIZATIONS			<u>\$1,657,353,000</u>
Section 15	GO Authorization for Section 2A		\$1,431,301,330
Section 16	GO Authorization for Section 2C		\$325,000,000
TOTAL GO BOND AUTHORIZATIONS			<u>\$1,756,301,330</u>
GENERAL GOVERNMENT / CAPITAL NEEDS BOND BILL, Chapter 304 of the Acts of 2008			
Section 2			

Section	Account	Description	Amount
Sec. 2A	1100-7400	For recapitalization of Massachusetts Community Development Finance Corporation.	\$10,000,000
	1100-9200	For purchase and procurement of equipment for general use.	\$250,000,000
	8000-0700	For equipment for department of correction.	\$25,000,000
	8000-2020	For the police mobile network.	\$15,000,000
	8100-2025	For state police cruiser replacement.	\$40,000,000
	8100-9000	For state police helicopter purchase.	\$25,000,000
Section 2A Subtotal			\$365,000,000
Section 2B	1790-3000	For planning and purchasing of information technology equipment.	\$451,800,000
Section 2c	1100-8020	For the Massachusetts Opportunity Relocation and Expansion Jobs Capital Program.	\$100,000,000
	0640-0300	For the Massachusetts Cultural Facilities Fund.	\$50,000,000
	1102-2008	For the acquisition and use of land and buildings of DCAM.	\$460,000,000
	1100-3001	A grant program for municipalities to acquire and use land and buildings.	\$285,988,000
	1102-5600	For court facility capital needs.	\$658,350,000
	1790-2500	For the costs of planning and building the Springfield data center.	\$78,000,000
	4000-2020	For health and human services facilities.	\$80,000,000
	7000-9090	For public library projects.	\$100,000,000
	8000-3500	For public safety and security facilities.	\$44,680,000
	8000-4900	For a fire training facility in Springfield.	\$10,000,000
	8500-1000	For the chief fire medical examiner regional offices.	\$15,000,000
	8900-7500	For prisoner suicide preventative facilities and improvements.	\$15,000,000
	7007-6300	For the Zoo New England and Buttonwood Park and Zoo facilities.	\$35,000,000
Section 2C Subtotal			\$1,932,018,000
Sec. 2D	8900-8500	For state and county jails and correctional facilities.	\$550,000,000
	0330-9999	For intermediate section equipment.	\$10,000,000
Section 2D Subtotal			\$560,000,000
TOTAL CAPITAL SPENDING AUTHORIZATIONS			<u>\$3,308,818,000</u>
Section 16	GO Authorization for Section 2A		\$365,000,000
Section 17	GO Authorization for Section 2B		\$451,800,000
Section 18	GO Authorization for Section 2C		\$1,973,005,000
Section 19	GO Authorization for Section 2D		\$560,000,000
TOTAL GO BOND AUTHORIZATIONS			<u>\$3,349,805,000</u>
HIGHER EDUCATION BOND BILL, Chapter 258 of the Acts of 2008			
Section 2	7066-8000	For the design, construction, and repair costs to the state and community college campus facilities and grounds.	\$1,189,055,630
	7100-1000	For the design, construction, and repair costs and design to the University of Massachusetts campus facilities and grounds.	\$1,001,500,000
TOTAL CAPITAL SPENDING AUTHORIZATIONS			<u>\$2,190,555,630</u>
Section 3	GO Authorization for Section 2		<u>\$2,190,555,630</u>
HOUSING BOND BILL, Chapter 119 of the Acts of 2008			
Section 2	7004-0028	To assist special need homeowners with home modifications.	\$50,000,000
	7004-0029	To financially assist the development of housing for the mentally ill.	\$40,000,000

Section	Account	Description	Amount
	7004-0030	To financially assist the development of housing for the institutionalized or at risk of being institutionalized.	\$30,000,000
	7004-0031	To capitalize the Affordable Housing Trust Fund.	\$220,000,000
	7004-0032	For the Housing Stabilization and Investment Trust Fund.	\$125,000,000
	7004-0033	For the Department of Housing contracts.	\$500,000,000
	7004-0034	For a five year demonstration of effective revitalization methods.	\$50,000,000
	7004-0035	For state financial assistance with community development action.	\$55,000,000
	7004-0036	For the Housing Innovations Trust Fund.	\$75,000,000
	7004-0037	For the Capital Improvement and Preservation Trust Fund.	\$100,000,000
	7004-0038	For residential housing in neighborhood commercial areas.	\$30,000,000
TOTAL CAPITAL SPENDING AUTHORIZATIONS			<u>\$1,275,000,000</u>
Section 10		GO Authorization for Section 2	<u>\$1,275,000,000</u>
LIFE SCIENCES BOND BILL, Chapter 130 of the Acts of 2008			
Section 2			
Sec. 2A	1599-7107	A capital access reserve that guarantees loans to small businesses.	\$5,000,000
Section 2B	7002-0015	For the Massachusetts Life Sciences Investment Fund.	\$500,000,000
TOTAL CAPITAL SPENDING AUTHORIZATIONS			<u>\$505,000,000</u>
Section 46		GO Authorization for Section 2B	<u>\$500,000,000</u>
TRANSPORTATION BOND BILL (1), Chapter 86 of the Acts of 2008			
Section 2	6033-0815	For MHD transportation infrastructure projects.	\$200,000,000
	6033-0816	For non-interstate federal aid transportation projects.	\$2,200,000,000
Section 2 Subtotal			\$2,400,000,000
Sec. 2A	6033-0817	For non-federally aided roadway facility projects.	\$225,000,000
	6033-0837	For environmental facility contamination remediation.	\$1,400,000
Section 2A Subtotal			\$226,400,000
Section 2B	6033-0867	Town and county ways transportation infrastructure projects.	\$150,000,000
	6033-0887	Transportation project assistance for small towns.	\$5,000,000
Section 2B Subtotal			\$155,000,000
Sec. 2C	6001-0801	For the implementation of intelligent, networking systems.	\$8,000,000
	6001-0802	For the mobility assistance program.	\$3,000,000
	6001-0804	For design and planning of South Coast Rail, Lynn Blue Line extensions, and Urban Ring projects.	\$10,000,000
	6001-0805	For marine transportation service improvement and expansion.	\$5,000,000
Section 2C Subtotal			\$26,000,000
Sec. 2D	6001-0812	For the Fairmount Line, a commuter transit parking facility, Red Line/Blue Line connection, and Green Line extension projects.	\$700,000,000
	6001-0813	For the MBTA Fitchburg Line Speed Improvement project.	\$8,000,000
Section 2D Subtotal			\$708,000,000
TOTAL CAPITAL SPENDING AUTHORIZATIONS			<u>\$3,515,400,000</u>
Section 24		GO Authorization for Section 2	\$508,000,000
Section 25		GO Authorization for Section 2A	\$226,400,000
Section 26		GO Authorization for Section 2B	\$155,000,000
Section 27		GO Authorization for Section 2C	\$26,000,000

Section	Account	Description	Amount
Section 28		GO Authorization for Section 2D	\$708,000,000
		TOTAL GO BOND AUTHORIZATIONS	\$1,623,400,000
		Federal Highway Aid	\$176,000,000
		Non-Interstate Federal Transportation Aid	\$1,716,000,000
		TOTAL FEDERAL TRANSPORTATION AID	\$1,892,000,000
		TOTAL FEDERAL TRANSPORTATION AID AND GO BOND AUTHORIZATIONS	<u>\$3,515,400,000</u>
TRANSPORTATION BOND BILL (2), Chapter 303 of the Acts of 2008			
Sec. 2A	6033-0817	For nonfederally-aided roadway and bridge projects.	\$575,000,000
	6033-0827	For heavy equipment purchasing or rehabilitating.	\$7,500,000
	6033-0837	For environmental facility contamination remediation.	\$2,800,000
		Section 2A Subtotal	\$585,300,000
Section 2B	6033-0867	For town and county way transportation projects.	\$350,000,000
	6033-0877	Economic development transportation projects.	\$50,000,000
	6033-0887	Transportation project assistance for small towns.	\$10,000,000
		Section 2B Subtotal	\$410,000,000
Sec. 2C	6001-0801	For the implementation of intelligent, networking systems.	\$17,000,000
	6001-0802	For the mobility assistance program.	\$7,000,000
	6001-0803	For the regional inter-modal transportation centers.	\$20,000,000
	6001-0804	For rail improvements.	\$90,000,000
	6001-0805	For marine transportation improvement and expansion.	\$10,000,000
	6001-0806	To assist and promote transit-oriented development.	\$20,000,000
	6001-0817	For Growth Districts Initiative transportation projects.	\$50,000,000
	6001-0818	For an off-street parking program.	\$45,000,000
		Section 2C Subtotal	\$259,000,000
Sec. 2D	6001-0807	For the acquisition of information technology.	\$16,700,000
	6001-0808	EOT facility maintenance and construction.	\$1,000,000
	6001-0809	For EOT equipment purchase and rehabilitation.	\$1,500,000
	6001-0810	For EOT security system repairs and maintenance.	\$1,220,000
		Section 2D Subtotal	\$20,420,000
Section 2E	6001-0813	For the MBTA Fitchburg Line Speed Improvement project.	\$67,000,000
	6001-1815	For MBTA interoperability and safety equipment.	\$5,000,000
		Section 2E Subtotal	\$72,000,000
Section 2F	6006-0801	For Pittsfield Municipal Airport improvements.	\$40,000,000
Sec. 2G	6000-0450	For Cape Cod Emergency traffic control equipment.	\$366,500
	6000-0500	For Westover Metropo Airport facility expansion and improvements.	\$15,000,000
		Section 2G Subtotal	\$15,366,500
		TOTAL CAPITAL SPENDING AUTHORIZATIONS	<u>\$1,362,086,500</u>
Section 47		GO Bond Authorization for Section 2A	\$585,300,000
Section 48		GO Bond Authorization for Section 2B	\$410,000,000
Section 49		GO Bond Authorization for Section 2C	\$284,000,000
Section 50		GO Bond Authorization for Section 2D	\$20,420,000
Section 51		GO Bond Authorization for Section 2E	\$72,000,000
Section 52		GO Bond Authorization for Section 2F	\$40,000,000
Section 53		GO Bond Authorization for Section 2G	\$33,366,500

TOTAL GO BOND AUTHORIZATIONS	<u>\$1,445,086,500</u>
TOTAL CAPITAL SPENDING AUTHORIZATIONS	<u>\$16,838,213,130</u>
TOTAL GO BOND AUTHORIZATIONS	\$12,180,148,460
TOTAL SO AND GAN BOND AUTHORIZATIONS	\$2,984,000,000
TOTAL GO, SO, GAN BOND AUTHORIZATIONS	\$15,164,148,460
TOTAL FEDERAL AID	\$1,892,000,000
TOTAL GO, SO, GAN BOND AUTHORIZATIONS AND FEDERAL AID	<u>\$17,056,148,460</u>

APPENDIX G

Overview of Current and Completed Courthouse Projects In the Commonwealth

The following summarizes the major courthouse construction and renovation projects that are underway or completed. These projects constitute a major program in recent years to replace or renovate numerous court facilities in the state that were substandard.

Funding for this major capital program comes from four sources:

1. Chapter 277 of the acts of 1995, \$21 million (for the Taunton courthouse).
2. Chapter 189 of the acts of 1998, \$730 million.
3. Chapter 242 of the acts of 2002, \$6 million (for the Norfolk lease). (This was a temporary capital appropriation for a lease – the Trial court is now paying for this lease out of their operating budget)
4. Chapter 290 of the acts of 2004, \$220 million.

Additional appropriation as follows:

5. Chapter 304 of the acts of 2008, \$658,350,000.

Completed Projects

1. John Adams Courthouse renovation, \$151 million.
2. Boston Municipal Court Edward Brooke Courthouse Renovation, \$18.0 million.¹⁵⁵
3. Suffolk High-rise Courthouse renovation, \$43.0 million.
4. Newton Courthouse renovation, \$12.0 million.
5. Various other completed projects (miscellaneous repairs, transfers, etc.), \$97 million.
6. Worcester Trial Court, \$180.0 million. (Completed July 2007)
7. Plymouth Trial Court, \$71.0 million. (Completed August 2007)
8. Cohannet School, \$6.0 million.¹⁵⁶ (Completed summer 2005)
9. Miscellaneous repairs, \$25.0 million. (Nearly completed, with approximately \$6 million in construction.)

In addition, \$58 million has been used for leases and set asides including the federal courthouse lease, the Norfolk lease and various other leases.¹⁵⁷

The total money expended for the foregoing projects and leases is \$382 million.

Current and Planned Projects

Projects currently in construction are the following:

1. New Fall River Trial Court, \$85 million.
2. New Taunton Trial Court, \$86 million.

¹⁵⁵ Although the Brooke Courthouse is quite new, renovations were required in order to relocate the Boston Municipal Court there.

¹⁵⁶ The state is leasing and renovating space in the former Cohannet School in Taunton for the Taunton District Court.

¹⁵⁷ The state leased the former federal courthouse building in Post Office Square from the federal General Services Administration to house the Suffolk Superior Court while the Suffolk high-rise building was being renovated. The Superior Court has since moved back to the renovated high-rise.

3. New Salem Trial Court, \$106 million.
4. Miscellaneous repairs \$6 million.

The major projects now in the planning, design or land acquisition phase are:

1. E.J. Sullivan High Rise, Cambridge, Preliminary Study. The E J Sullivan High Rise is almost fully vacated and we are evaluating options for full renovation and/or replacement of the facility to address the needs of the Cambridge Trial courts.

Projects currently in planning or design which have funding available in the new General Government Bond Bill (project schedules vary):

1. New Lowell Trail court site. Acquisition and demolition in process, design and construction to start after FY09, \$175 million.
2. Renovation of Taunton Superior Court, \$40 million.
3. Renovation of Salem Probate and Family court, \$60 Million.
4. Renovation and Addition to Greenfield courthouse, \$50 million.
5. Miscellaneous repairs, approximately \$8 million.

Additional miscellaneous temporary lease, transfer and other payments:

6. Temporary lease payments and relocation costs related to the EJ Sullivan courthouse, \$24 million (includes FY08 and FY09).
7. Miscellaneous transfers for repairs, \$2 million.

Projects to be initiated in FY2009:

8. Northampton Trial Courts Master Plan.
9. Miscellaneous repairs studies.

Appendix H

2008 Higher Education Bond Bill Earmarks (Chapter 258 of the Acts of 2008)			
Section	Account	Project	Amount
Section 2	7066-8000	For the state and community college campuses.	
		Sealing of Building envelopes at Berkshire Community College.	\$1,000,000
		Renovation of Hawthorne and Melville Halls and the renovation and modernization of academic classrooms at Berkshire Community College.	\$23,000,000
		A new technology learning center and the modernization of the Siegel Health Technologies Building "C" and for the development of new academic space at Bristol Community College.	\$46,525,548
		Renovation of Building 2 of the former Texas Instruments campus in the city of Attleboro for the Bristol Community College campus in the city Attleboro.	\$4,500,000
		acquisition, construction, renovation, design, and development of a full service consolidated campus, which shall be comprised of no less than 40,000 square feet in Bristol Community College.	\$20,000,000
		A new learning and resource center at Bunker Hill Community College, including Building "B" renovations and a new campus entrance.	\$29,152,560
		Campus connections and high priority major renovation and modernization projects, including Buildings "D" and "E", and completing the original campus design at Bunker Hill Community College.	\$14,120,342
		An accessibility, traffic and parking study at Cape Cod Community College.	\$300,000
		A new science building and renovation to the existing Science Center, and modernization and renovation of existing facilities at Cape Cod Community College.	\$36,000,000
		The renovation and modernization of the Campus Core Building, construction of a new maintenance building and renovation and modernization of existing capacity in the East Building at Greenfield Community College.	\$31,000,000
		Renovation of existing academic and student support spaces at Holyoke Community College.	\$4,750,000
		Renovation of Building "G" and academic addition at Holyoke Community College.	\$20,300,000
		A new allied health academic facility at Massachusetts Bay Community College.	\$22,100,000
		Improvements to the campus including, but not limited to, a new allied health and sciences building at Massasoit Community College.	\$27,399,907
		New general academic buildings and renovations of existing facilities at Middlesex Community College in the city of Lowell.	\$10,124,335
		A new performing arts center at Middlesex Community College in the city of Lowell.	\$11,017,100
		New general academic buildings and renovations of existing facilities at Middlesex Community College in the city of Bedford.	\$24,000,000

Section	Account	Project	Amount
		A new auto tech garage facility and receiving area, for the modernization of the Haley Academic Center and campus modernizations at Mount Wachusett Community College.	\$37,900,000
		A new allied health building, backfill and renovations to Ferncroft at North Shore Community College in the town of Danvers.	\$31,936,120
		Expansion of the North Shore Community College in the city of Lynn.	\$20,715,600
		A new allied health building at Northern Essex Community College in the city of Lawrence and for the renovation of the Spurr Building at Northern Essex Community College in the city of Haverhill.	\$31,718,123
		A new academic, science and technology building at Quinsigamond Community College.	\$23,106,943
		A new maintenance and receiving facility at Quinsigamond Community College.	\$2,341,324
		Additional classroom space at Quinsigamond Community College.	\$15,931,331
		Reconstruction and improvements to parking lots at Mount Wachusett Community College.	\$5,500,000
		Major renovation and modernization projects at Roxbury Community College including, but not limited to, the renovation and modernization of existing classroom space and improvements to the Academic Building and the Media Arts Building.	\$20,742,970
		Sealing of building envelopes and study of the building systems and repairs at Springfield Technical Community College.	\$303,920
		The stabilization and renovation of Building 19 at Springfield Technical Community College.	\$33,200,000
		The Conant Science Center modernization and addition at Bridgewater State College.	\$98,696,000
		A new science center and renovations of existing facilities at Fitchburg State College.	\$57,001,848
		The Christa McAuliffe Center for Education and Teaching Excellence at Framingham State College.	\$9,300,000
		Expansion, modernization and improvement of Hemenway Hall Science Center at Framingham State College.	\$51,389,263
		Modernization of existing facilities and the Center for Design Innovation at Massachusetts College of Art and Design.	\$30,000,000
		Renovation and expansion for a new Center for Sciences and Innovation at Massachusetts College of Liberal Arts and renovations and modernizations to existing academic facilities.	\$54,500,000
		Modernization of the library at the Massachusetts Maritime Academy.	\$23,000,000
		Library and learning commons renovation or replacement and for renovations and specialized space addition to Meier Hall at Salem State College.	\$106,433,169
		A new academic building at Westfield State College.	\$33,000,000
		For safety and accessibility renovations at the Dever Auditorium building at Westfield State College.	\$2,800,000
		Modernization and improvement of the health science and athletic center at Worcester State College.	\$25,500,000

TOTAL STATE AND COMMUNITY COLLEGE EARMARKS			\$1,040,306,403
ACCOUNT AUTHORIZATION			\$1,189,055,630
NON-EARMARKED BALANCE			<u>\$148,749,227</u>
Section 3	7100-1000	For the University of Massachusetts campuses.	
		A new academic classroom building at the Amherst campus.	\$85,000,000
		A new laboratory science building at the Amherst campus.	\$100,000,000
		Repairs to Machmer Hall at the Amherst campus.	\$12,600,000
		Repairs and renovations to Lederle Research Center at the Amherst campus.	\$41,250,000
		Repairs and renovations to Morrill Science Center at the Amherst campus.	\$51,300,000
		Stabilization of the campus substructure and alternate parking improvements at the Boston campus.	\$25,000,000
		Construction of a new academic building at the Boston campus.	\$100,000,000
		Renovations and infrastructure repairs to the library at the Dartmouth campus.	\$8,000,000
		Building and retrofitting of vacated spaces at the Dartmouth campus.	\$11,000,000
		For planning and design services of graduate student dormitories and artist loft dormitories for the University of Massachusetts, Dartmouth.	\$250,000
		Classroom space upgrades at the Dartmouth campus.	\$6,000,000
		Air conditioning improvements to facilities at the Dartmouth campus.	\$2,100,000
		Projects at the University of Massachusetts at Dartmouth campus including an addition to the Charlton College of Business and a marine science facility.	\$70,000,000
		For the Portuguese-American Archives at the University of Massachusetts at Dartmouth.	\$1,000,000
		Expansion, retrofitting, or renovation of the Center for Portuguese Studies at the University of Massachusetts at Dartmouth.	\$500,000
		A new south academic building at the Lowell campus.	\$26,000,000
		North quad modernization at the Lowell campus.	\$10,000,000
		For civic and athletic facilities at the Lowell campus.	\$10,000,000
		For storm water management at the Lowell campus.	\$1,500,000
		For renovations to Olney Hall at the Lowell campus.	\$2,500,000
		For capital expense related to Massachusetts Medical Device Development Center at the Lowell campus.	\$4,000,000
		Deferred maintenance needs at the Lowell campus.	\$5,000,000
		For repairs, renovations and improvements to buildings, systems and other facilities at the Medical School in the city of Worcester.	\$43,500,000
		For improvements to the Medical School's Shriver Center facility in the city of Waltham.	\$8,500,000
		For expansion of the Medical School in the city of Worcester.	\$3,682,500
TOTAL UMASS EARMARKS			\$628,682,500
ACCOUNT AUTHORIZATION			\$1,001,500,000
NON-EARMARKED BALANCE			<u>\$372,817,500</u>

TOTAL HIGHER EDUCATION BOND BILL SPENDING AUTHORIZATIONS	\$2,190,555,630
TOTAL HIGHER EDUCATION BOND BILL EARMARKS	<u>\$1,668,988,903</u>
NON-EARMARKED AUTHORIZATIONS	\$521,566,727

APPENDIX I

2008 Life Sciences Bond Bill Earmarks (Chapter 130 of the Acts of 2008)			
Section	Account	Project	Amount
Section 2			
Section 2A	1599-7107	A capital access reserve that guarantees loans to small businesses.	
Section 2B	7002-0015	For the Massachusetts Life Sciences Investment Fund.	
		Assist in water and waste water infrastructure improvements for the proposed cell culture manufacturing facility and purification plant containing office and lab facilities in the town of Framingham.	\$12,900,000
		Construction of supporting infrastructure, comprised of local arterial and connector roads for the I-93 interchange in the towns of Andover, Wilmington and Tewksbury.	\$12,600,000
		Design, construction and development for a life science incubator building at the William Stanley Business Park in the city of Pittsfield.	\$6,500,000
		New nano and biomanufacturing facility at the University of Massachusetts at Lowell.	\$10,000,000
		Bay state Medical Center for the purpose of executing a lease agreement with the Pioneer Valley Life Sciences Institute in the city of Springfield for costs associated with the capital expansion of a life sciences incubator.	\$5,500,000
		Purchase and conversion of 3 vehicles into mobile science laboratories to support biotechnology education initiatives of the Massachusetts Academy for Life Sciences.	\$1,100,000
		Construction and capital improvements at the Tufts University Cummings School of Veterinary Medicine New England Regional Biosafety Laboratory.	\$9,500,000
		Construction, renovations and infrastructure improvements for the Marine Biological Laboratory located in Woods Hole.	\$10,000,000
		Design, construction, development and related infrastructure improvements for a regional incubation center for life science initiatives to be located in the city of New Bedford.	\$5,000,000
		Design, construction, development and related infrastructure improvements for a life sciences center which shall be located at the former Paul A. Dever State School in the city of Taunton.	\$5,000,000
		Deposited in the Massachusetts Small Business Matching Grant Fund established in section 9 of said chapter 23I of the General Laws.	\$10,000,000
		Deposited in the Massachusetts Life Sciences Education Fund established in section 10 of said chapter 23I of the General Laws.	\$5,000,000
		Design, construction, development and related infrastructure improvements for an advanced therapeutics cluster to be constructed at the University of Massachusetts Medical School in Worcester.	\$90,000,000

Design, construction, development and related infrastructure improvements of a life science laboratory research center complex at the University of Massachusetts Amherst.	\$95,000,000
Purchase of state-of-the-art equipment, renovations and related expenses to support the Center for Personalized Cancer Therapy at the University of Massachusetts at Boston.	\$10,000,000
A grant for the acquisition of land pursuant to section 37 of this act to the University of Massachusetts at Dartmouth.	\$11,400,000
TOTAL LIFE SCIENCES EARMARKS	<u>\$299,500,000</u>
TOTAL LIFE SCIENCES BOND BILL SPENDING AUTHORIZATIONS	\$500,000,000
TOTAL LIFE SCIENCES BOND BILL EARMARKS	<u>\$299,500,000</u>
NON-EARMARKED AUTHORIZATIONS	\$200,500,000

APPENDIX J

Recommendations from the 2006 Annual Report of the Committee on Bonding, Capital Expenditures and State Assets

Recommendation 1: A detailed and transparent five-year capital spending plan should be developed, published and maintained.

Recommendation 2: The five year capital spending plan should incorporate all capital spending and all types of borrowing for which the state is responsible.

Recommendation 3: The state should employ the least expensive methods of borrowing, generally general obligation debt.

Recommendation 4: The state should dedicate more funds to current and deferred capital maintenance.

Recommendation 5: The state should continue efforts to deauthorize or otherwise eliminate old and unused capital authorization.

Recommendation 6: The state should allocate more funding to open space protection and preservation programs.

Recommendation 7: When available, the state should use surplus operating dollars to help address its capital spending needs.

Recommendation 8: Operating expenses such as those for personnel should be eliminated from the capital budget

Recommendation 9: The amount of the bond cap should be increased.

Recommendation 10: Statutory provisions governing the disposition of state surplus land should be amended to provide for a speedier procedure but one which preserves legislative and municipal input and control.

APPENDIX K

Bills Reported By Joint Committee on Bonding, Capital Expenditures and State Assets

2007- 2008 Legislative Session

BILL/CHAPTER NUMBER	BILL NAME, SPONSORS AND AGENCIES	BCESA COMMITTEE ACTION	COMMENTS AND CURRENT STATUS
1. H.19 Chapter 28 of the Acts of 2007	An act authorizing DCAMM to release non-development covenant restrictions on certain land in the town of Leicester. (Binienda, Augustus)	2/22/07 Committee recommended ought to pass with an amendment (no new draft).	Would authorize the division of agricultural resources to release non-development covenants on certain agricultural land in Leicester. In return, the owners of the land to be released from the covenants, would grant new non-development covenants on another 11 acre parcel of land. 3/28/07 G Signed by the Governor, Chapter 28 of the Acts of 2007
2. H.26 Chapter 5 of the Acts of 2008	An act to remove an agricultural preservation restriction from land known as Borden colony in the town of Raynham. (Flynn, Pacheco)	3/1/07 Committee recommended ought to pass.	Would authorize the release of APRs on three parcels of land in Raynham in order to permit certain road improvements to go forward. 1/17/08 Signed by the Governor, Chapter 5 of the Acts of 2008
3. H.3745 Chapter 29 of the Acts of 2007	An act relative to the conveyance of a certain parcel of land in the Town of Grafton. (Peterson, Brewer, Augustus)	3/1/07 Committee recommended ought to pass.	Amends chapter 224 of the acts of 2002, which authorized the conveyance of 5.2 acres of land in Grafton to the Massachusetts State Police Museum and Learning Center. The amendments provide for lease of the land instead of outright conveyance with an option to purchase at the end of the lease term. Both lease and deed would include a provision restricting the use of the premises to the museum and reverting title to the state if there is a change in use. 4/10/07 G Signed by the Governor, Chapter 29 of the Acts of 2007
4. S.19 S.2179 Chapter 44 of the Acts of 2007	An act relative to the sale of land by the MWRA. Morrissey	3/20/07 BCESA Public Hearing. 4/4/07 Committee recommended ought to pass with an amendment, see S2179 .	This bill would allow the sale of a portion of the Fore River Shipyard in Quincy by the MWRA to a company owned by Jay Cashman, Inc. The MWRA solicited open bids for the property. The MWRA determined that the bid by Quincy Shipyard, LLC was the most viable proposal. 5/30/07 G Signed by the Governor, Chapter 44 of the Acts of 2007
5. S.52 S.2210 Chapter 198 of the Acts of 2007	An act authorizing DCAMM to transfer and exchange land with the NYE Family of America Association Inc. held for conservation/recreation purposes. Murray	3/20/07 BCESA Public Hearing. 4/4/07 Committee recommended ought to pass with an amendment, see S2210 .	This bill would authorize the conveyance of a parcel of department of fish and game land located within the Old East Sandwich Fish Hatchery in Sandwich to Nye Family of America Association, Inc. It would require the purchaser to compensate the state by transferring a parcel of land of equal or greater value to DCR. 11/28/07 G Signed by the Governor, Chapter 198 of the Acts of 2007
6. H.53 Chapter 55 of the Acts of 2007	An act authorizing the transfer of certain land to the city of Boston. Petrucelli	3/20/07 BCESA Public Hearing. 4/19/07 Committee recommended ought to pass.	Would authorize DCAMM, in consultation with the MWRA, to convey to the city of Boston two permanent gate easements, on either side of Chelsea Street in Boston, and shown on a July 7, 2003 plan, for the purpose of constructing a new Chelsea Street Bridge. 6/27/07 G Signed by the Governor, Chapter 55 of the Acts of 2007
7. H.3966 H.3977 Chapter 34 of the Acts of 2007	An act relative to providing the terms of certain bonds to be issued by the Commonwealth. Governor	4/10/07 Committee recommended ought to pass.	Contains the Governor's term recommendation for the bonds authorized by chapter 27 of the acts of 2007 (the "immediate needs" bond bill). 4/24/07 G Signed by the Governor, Chapter 34 of the Acts of 2007

BILL/CHAPTER NUMBER	BILL NAME, SPONSORS AND AGENCIES	BCESA COMMITTEE ACTION	COMMENTS AND CURRENT STATUS
8. H.40 H.4063 H.4189 Chapter 190 of the Acts of 2007	An act authorizing DCAMM to convey a certain parcel of land in the city of Worcester. Leary	4/24/07 BCESA Public Hearing. 5/31/07 Committee recommended ought to pass with an amendment, see H4063 .	Would amend chapter 329 of the acts of 1994 relative to the transfer of certain state land in Worcester, Westborough and Northborough to the Worcester Business Development Corporation by adding several sections providing for the transfer of 32 acres of agricultural land managed by DAR to WBDC. WBDC would be authorized to sell all or part of the land for development of facilities for "medical or technological purposes." 11/27/07 G Signed by the Governor, Chapter 190 of the Acts of 2007
9. H.41 H.4064 H.4190 Chapter 172 of the Acts of 2007	An act directing DCR to amend a certain easement in the city of Marlborough LeDuc	3/20/07 BCESA Public Hearing. 5/31/07 Committee recommended ought to pass with an amendment, see H4064 .	Would amend an easement held by the state, which was required to permit the original owner, Dennison Manufacturing, to construct the building over a brook. The easement limits use of the property to industrial purposes. The amendment would allow the building to be used for housing and commercial purposes. The owner of the building, which is currently vacant and dilapidated, proposes to re-develop it as a multi-unit residential property. The bill was filed as a home rule petition by the city of Marlborough. 11/19/07 G Signed by the Governor, Chapter 172 of the Acts of 2007
10. H.57 H.4065	An act discontinuing that portion of Gravelly Brook Road lying in the town of Topsfield as a county highway, and authorizing and directing the Division of Capital Asset Management to convey and grant all right, title, and interest in said discontinued portion to abutters. Speliotis, Berry	4/24/07 BCESA Public Hearing. 5/31/07 Committee recommended ought to pass with an amendment, see H4065 .	Would authorize DCAMM to discontinue a portion of land used as a road, known as the Gravelly Brook Road, located in Topsfield consisting of approximately 6 acres and would convey land to abutters. 8/04/08 S Read; and referred to the committee on Senate Ways and Means -SJ 2479
11. H.64 H.4066 H.4185 Chapter 90 of the Acts of 2008	An act authorizing the conveyance of a certain parcel of land in the city of Boston. Walsh	4/24/07 BCESA Public Hearing. 5/31/07 Committee recommended ought to pass with an amendment, see H4066 .	Would authorize DCAMM to convey a parcel of state-owned land on Morrissey Boulevard in Boston to Expressway Motors LLC for parking purposes at full and fair market value. The parcel is Article 97 land consisting of 11,210 square feet and abuts other land of the dealership. 4/17/08 G Signed by the Governor, Chapter 90 of the Acts of 2008
12. H.65 H.4067 H.4186 Chapter 207 of the Acts of 2007	An act authorizing the commissioner of DCAMM to convey certain land to Sullivan and McLaughlin Companies, Inc Walsh	4/24/07 BCESA Public Hearing. 5/31/07 Committee recommended ought to pass with an amendment, see H4067 .	Would authorize DCAMM to convey a parcel of DCR land on Tenean Street in Boston to Sullivan and McLaughlin Companies, Inc. at full and fair market value. The parcel is shown on a plan of land prepared in connection with a 1962 taking by the MDC. Requires state to provide the prospective purchaser a temporary lease or license within 30 days of the effective date of the act. The lease or license would provide the company with access and control of the property until the completion of the transaction. 11/30/07 G Signed by the Lt.-Governor, Acting Governor, Chapter 207 of the Acts of 2007
13. H.4083 H. 4153	An act extending certain capital spending authorizations. Governor	7/12/07 Committee recommended ought to pass with an amendment, see H4153 .	Provides for one year extensions of capital spending accounts that would otherwise lapse at the end of fiscal year 2005. Total authorizations extended: \$4.3 billion (uncommitted balance). 7/12/07 H Read; and referred to the committee on House Ways and Means .

BILL/CHAPTER NUMBER	BILL NAME, SPONSORS AND AGENCIES	BCESA COMMITTEE ACTION	COMMENTS AND CURRENT STATUS
14. H.58 H.4202 Chapter 202 of the Acts of 2008	An act authorizing the department of capital asset management and maintenance to transfer control of a certain parcel of land. Stanley	6/21/07 BCESA Public Hearing. 8/02/07 Committee recommended ought to pass with an amendment, see H4202 .	Would direct the DCAMM commissioner to convey a parcel of land in the town of Lexington known as "Lot 1," which was part of the Middlesex County Hospital site, to DCR for conservation and recreation purposes. Provides that the state may enter into an agreement with the town of Lexington or a private non-profit conservation organization for managing and maintaining the parcel as public open space. 7/24/08 G Signed by the Governor, Chapter 202 of the Acts of 2008
15. H.59 H.4203 H.4342 Chapter 2 of the Acts of 2008	An act authorizing the sale of a certain parcel of land in the city of Waltham to said city. Stanley	6/21/07 BCESA Public Hearing. 8/02/07 Committee recommended ought to pass with an amendment, see H4203 .	Would direct the DCAMM commissioner to convey for \$1 a parcel of land ("Parcel B") located in Waltham which is a portion of "Lot 1" of the former Middlesex County Hospital. Sets forth legal description of the property. Conveyance subject to conditional usage of the parcel which must be used for recreation, conservation and flood control, including placement of drainage lines. 1/11/08 G Signed by the Governor, Chapter 2 of the Acts of 2008 .
16. H.3837 H.4204 H.5008	An act authorizing the department of conservation and recreation to lease land. Golden	6/21/07 BCESA Public Hearing. 8/02/07 Committee recommended ought to pass with an amendment, see H4204 .	Would direct DCR to lease property at 190 Varnum Avenue in Lowell to Lowell General Hospital for 99 years at \$1 annual rent. 7/28/08 S Read; and referred to the committee on Senate Ways and Means -SJ 2142
17. H.3942 H.4205 H.4343 Chapter 20 of the Acts of 2008	An act authorizing the transfer of the former fisher hill reservoir in the town of Brookline. Smizik	4/24/07 BCESA Public Hearing. 08/02/07 Committee recommended ought to pass with an amendment, see H4205 .	Would authorize the commissioner of DCAMM to convey by deed a parcel of land, known as the "former Fisher Hill Reservoir", to the town of Brookline. Land must be used mostly for open space with the exception of a storage facility. Land to be leased to Brookline at full market value price. 2/06/08 G Signed by the Governor, Chapter 20 of the Acts of 2008 .
18. S.28	An act relative to the identification of burial grounds and cemeteries on certain state-owned land. Berry	6/21/07 BCESA Public Hearing. 8/09/07 Committee recommended ought to pass.	Re-file of S.34 of 2005. Would direct DCAMM to conduct a thorough investigation of burial grounds, on both public and formerly public lands. Would require a detailed report on findings and discrepancies in records. 10/18/07 H Read; and referred to the committee on House Ways and Means
19. S.29	An act authorizing the division of capital asset management and maintenance to convey a certain parcel of land in the town of Danvers located along Maple Street. Berry	6/21/07 BCESA Public Hearing. 8/09/07 Committee recommended ought to pass.	Re-file of S.33 of 2005. Authorizes DCAMM to convey for fair market value an undeveloped parcel of land, to unspecified grantee, located within certain State Police land in Danvers. 8/09/07 S Bill reported favorably by committee and referred to the committee on Senate Ways and Means
20. S.43	An act relating to certain state owned land in the city of new Bedford. Montigny	6/21/07 BCESA Public Hearing. 8/09/07 Committee recommended ought to pass.	Re-file of S.47 of 2005. Would provide for the imposition of a conservation restriction on certain DMR land in New Bedford known as the "Reed Estate." 8/09/07 S Bill reported favorably by committee and referred to the committee on Senate Ways and Means -SJ 674

BILL/CHAPTER NUMBER	BILL NAME, SPONSORS AND AGENCIES	BCESA COMMITTEE ACTION	COMMENTS AND CURRENT STATUS
21. S.59 S.2211	An act authorizing the commissioner of capital asset management and maintenance, on behalf of the department of conservation and recreation, and the towns of Saugus and Wakefield to grant easement to Tennessee Gas Pipeline Company. Tisei	6/21/07 BCESA Public Hearing. 8/09/07 Committee recommended ought to pass with an amendment, see S2211 .	Would authorize DCAMM to convey parcels of land in the towns of Wakefield, Lynnfield, and Saugus to Tennessee Gas Pipeline Company to be used for laying, constructing, operating and maintaining gas transmission pipelines to be installed underground. Would also provide for temporary work easements on adjacent parcels of land. Provides that the easements would be restricted to use for gas pipeline purposes and would revert to the commonwealth if the easements are abandoned by Tennessee Gas Pipeline Co. 11/05/07 S Laid before the Governor -SJs 912-913
22. S.2248 H.4338 Chapter 197 of the Acts of 2007	An act allowing for the continued use of state owned property for fishing, boating and tourism purposes on the Congamond lakes in Southwick. Knapik	6/21/07 BCESA Public Hearing. 8/09/07 Committee recommended ought to pass	Would authorize DCAMM commish to lease a parcel of land in Southwick to the town for fishing, boating and tourism uses. Authorizes a maximum 50 year term with a maximum extension of 50s. Lease automatically renews for 50 additional years unless either party declines. 11/28/07 G Signed by the Governor, Chapter 197 of the Acts of 2007
23. H.25 H.4152 H.5049	An act authorizing the department of conservation and recreation to provide leases to yacht clubs on its property. Donato	6/21/07 BCESA Public Hearing. 7/12/07 Committee recommended ought to pass with an amendment, see H4152 .	Would authorize DCAMM, to enter into leases for up to 10 year terms with certain existing non-profits operating boating and yacht facilities on public park land. Lessees would be required to provide appropriate public access to adjacent public park lands. 8/04/08 S Read; and referred to the committee on Senate Ways and Means
24. S.42 Chapter 250 of the Acts of 2008	An act authorizing the partial release of certain land in Easthampton from the operation of an agricultural preservation restriction Knapik	6/21/07 BCESA Public Hearing. 7/19/07 Committee recommended ought to pass.	Re-file of S.2492 of 2005. This bill will allow the completion of a settlement negotiated by the Attorney General's office stemming from litigation regarding and APR. Would authorize DCAMM to release of about one acre of land located in Easthampton. The release of the parcel, titled 'Lot 1', is contingent on completion of other elements of the settlement agreement. 8/05/08 G Signed by the Governor, Chapter 250 of the Acts of 2008
25. S.45 Chapter 284 of the Acts of 2008	An act relative to the disposition of easements for the construction and operation of utilities over conservation and recreation lands in the town of Blackstone. Moore	6/21/07 BCESA Public Hearing. 7/19/07 Committee recommended ought to pass.	Would convey an easement over DCR land in Blackstone for utility and water lines. Would require transfer of land or an interest in land from Blackstone to DCR of equal or greater value. Grantee would also be required fulfill several conditions such as constructing gates, enforcing motorized vehicle and parking prohibitions and maintenance of a culvert and stream flow. 8/06/08 G Signed by the Governor, Chapter 284 of the Acts of 2008
26. H.1235 H.4214 Chapter 269 of the Acts of 2008	An act relative to the disposition of certain state property at Medfield State Hospital. Harkins, et al.	8/8/07 BCESA Public Hearing (Originally scheduled for 6/21/07 but bill held at request of sponsor). 8/16/07 Committee recommended ought to pass with an amendment, see H4214 .	Authorizes DCAMM to sell or lease a 134 acre parcel of the Medfield State Hospital campus. Includes a parcel with a water tower to be given to the town of Medfield for nominal consideration and sets guidelines for the use of the rest of the land sold to another entity for development through a competitive bid process including, but not limited to, agricultural preservation and affordable housing purposes. Developer must also preserve the cemetery located on the parcel known as E. 8/06/08 G Signed by the Governor, Chapter 269 of the Acts of 2008

BILL/CHAPTER NUMBER	BILL NAME, SPONSORS AND AGENCIES	BCESA COMMITTEE ACTION	COMMENTS AND CURRENT STATUS
27. H.4129 H.4296 H.5009	An act authorizing the Division of Capital Management and Maintenance to convey certain land in the city of Lawrence. Torrisi	8/8/07 BCESA Public Hearing. 10/12/07 Committee recommended ought to pass with an amendment, see H4296 .	Would authorize DCAMM to convey for nominal consideration a parcel of land in Lawrence to city for municipal or other public uses. The city would be responsible for all transaction costs. 7/24/08 H Ordered to a third reading
28. S.53 S.2873 (Governor's amendment) Chapter 419 of the Acts of 2008	An act authorizing the development of a regional education, training and skills center in the city of Taunton. Pacheco	6/21/07 BCESA Public Hearing. 10/12/07 Committee recommended ought to pass.	Re-file of S.61 of 2005. Would authorize DCAMM to convey a parcel of land in Taunton to the Taunton Development Corp to be used as a regional education, training and skills center. 12/22/08 G Signed by the Governor, Chapter 419 of the Acts of 2008
29. H.4193 H.4367 Chapter 40 of the Acts of 2008	An Act authorizing the division of capital asset management and maintenance to exchange certain land in the town of Needham. Harkins	11/13/07 Committee recommended ought to pass with an amendment, see H4367 .	Authorizes DCAMM to convey to a private trust a 29 square foot parcel of MHD land, known as Lot 1, located in the town of Needham. As consideration, the trust is required to transfer a 31 square foot parcel known as Lot 2 to the state and must pay the state any difference in value between the two parcels. 2/21/08 G Signed by the Governor, Chapter 40 of the Acts of 2008 .
30. S.55 S.2442 S.2509 Chapter 286 of the Acts of 2008	An act authorizing the division of capital asset management and maintenance to lease certain property to the town of Acton. Resor	4/24/07 BCESA Public Hearing. 12/6/07 Committee recommended ought to pass with an amendment, see S2442 .	Would authorize a 20 year lease of 15 acres of DOC land located at MCI-Concord to the town of Action for recreational use. 8/06/08 G Signed by the Governor, Chapter 286 of the Acts of 2008 .
31. S.56 S.2443 S.2510 Chapter 287 of the Acts of 2008	An act authorizing the division of capital asset management and maintenance to lease certain property to the town of Shirley. Resor	4/24/07 BCESA Public Hearing. 12/6/07 Committee recommended ought to pass with an amendment, see S2443 .	Re-file of S.2754 of 2005. Would authorize DCAMM to lease to the town of Shirley a parcel of DOC land consisting of approximately 10 acres located at MCI-Shirley. The land is to be used for recreational activities and facilities. The lease would be for nominal consideration and for a term of 20 years 8/06/08 G Signed by the Governor, Chapter 287 of the Acts of 2008
32. S.2294 S.2444 S.2511 Chapter 273 of the Acts of 2008	An act authorizing the Department of Capital Asset Management and Maintenance to grant certain easements in the towns of Russell and Montgomery over lands held for conservation and recreation purposes. Knapik	8/8/07 BCESA public hearing. 12/6/07 Committee recommended ought to pass with an amendment, see S2444 .	Re-file of S.2616 and S.2660 of 2006. Authorizes the grant of an easement to Northeast Utilities over DCR land for public utility and access purposes. The easement is for an electricity distribution line for a biomass electric generating facility. In exchange, Northeast Utilities must grant DCR an easement of equal or greater value within the Mount Tekoa Wildlife Refuge in the town of Russell. 8/06/08 G Signed by the Governor, Chapter 273 of the Acts of 2008
33. H.47 H.4415	An act relative to concurrent jurisdiction over the former Devens military base. Naughton	6/21/07 BCESA public hearing 12/6/07 Committee recommended ought to pass with an amendment, see H4415 .	Would amend 2004 legislation that ceded jurisdiction of certain land in the towns of Ayer and Harvard to the federal government. Corrects the omission of the reference to the town of Ayer by including the names of both towns. Also corrects an error in a statutory reference in the 2004 legislation. 11/24/08 S Read; and referred to the committee on Senate Ways and Means

BILL/CHAPTER NUMBER	BILL NAME, SPONSORS AND AGENCIES	BCESA COMMITTEE ACTION	COMMENTS AND CURRENT STATUS
34. H.4234 (§ 2,3,4) H.4539 H.4554 H.4829 Chapter 130 of the Acts of 2008	LIFE SCIENCES BOND BILL An act providing for the investment in and expansion of the life sciences industry in the commonwealth. Governor	1/16/08 BCESA public hearing 2/14/07 Committee recommended ought to pass with an amendment, see H4554 .	Provides general obligation bond funding and tax incentives to promote economic development in the life sciences industry. Authorizes \$500 million of capital spending for earmarked projects and programs. 6/16/08 G Signed by the Governor, Chapter 130 of the Acts of 2008
35. H.2030 / S.18 (Honan) H.4375 (Governor) H.4582 (Rejected) H.4592 (Rejected) H.4472 (Merged) H.4594 Chapter 119 of the Acts of 2008	HOUSING BOND BILL An act financing the production and preservation of housing for low and moderate income residents. Honan, Governor	2/6/08 BCESA public hearing 3/12/08 Committee recommended ought to pass with an amendment, see H4594 .	Authorizes \$1.275 billion of general obligation bond funding for a variety of housing programs including state-owned public housing modernization, community-based housing for the disabled, mentally ill and mentally retarded, and several programs providing funding for development of privately-owned affordable housing. 5/29/08 G Signed by the Governor, Chapter 119 of the Acts of 2008
36. S.46 Chapter 294 of the Acts of 2008	An act releasing certain land in Dudley from the operation of an agricultural preservation restriction. Moore	6/21/07 BCESA public hearing 3/13/08 Committee recommended ought to pass.	Re-file of S.55 of 2005. Would provide for the release of an APR on a 1 acre parcel of land in Dudley in exchange for an APR on a 5.44 acre parcel of land plus a \$2,000 payment to an approved non-profit agricultural land preservation organization. DAR helped draft this bill and supports it because the transaction will be a net gain to the state. 8/07/08 G Signed by the Governor, Chapter 294 of the Acts of 2008
37. S.41	An act relative to the Max Ulin rink Joyce	6/21/07 BCESA public hearing 3/13/08 Committee recommended ought to pass.	Re-file of S.45 of 2005. Would authorize DCAMM to lease the Max Ulin Rink to a third party, using a competitive bid process, for a 20 year term with a 5 year optional extension. Lessee would pay for upkeep, capital improvements, insurance and other expenses. Third party lessee would be required to retain existing employees. 3/13/08 S Bill reported favorably by committee and referred to the committee on Senate Ways and Means -SJ 1312
38. H.4375 Accompanied H4472 , see item 35 above.	GOVERNOR'S HOUSING BOND BILL (Combined with Honan H.2030) An Act Financing the production and preservation of housing for low and moderate income residents. Governor	2/6/08 BCESA public hearing 3/12/08 Committee recommended ought to pass with an amendment, see H4594 .	See item 35. This bill accompanied the housing bond bill that originated in the House, reported by the Housing Committee as H.4472.

BILL/CHAPTER NUMBER	BILL NAME, SPONSORS AND AGENCIES	BCESA COMMITTEE ACTION	COMMENTS AND CURRENT STATUS
39. H.21 H.4629	An act to acquire the silver maple forest for the department of conservation and recreation upon receipt of sufficient local contributions toward said acquisition. Brownsberger	6/21/07 BCESA public hearing 3/31/08 Committee recommended ought to pass with an amendment, see H4629	Would appropriate \$6 million for the acquisition of land known as the "Silver Maple Forest" in Belmont and Cambridge. Belmont, Cambridge and Arlington would be required to provide the balance of the acquisition cost. The property would be acquired by DCAMM on behalf of DCR. Note: An earmark for this purpose was included in the Environmental Bond Bill but vetoed by the Governor. 3/31/08 H Read; and referred to the committee on House Ways and Means
40. H.43 H.4360 H.5043	An act to convey certain commonwealth property consisting of the waters of Farm Pond, its tributaries, and water distribution system to the town of Sherborn. Linsky	6/21/07 BCESA public hearing 3/31/08 Committee recommended ought to pass with an amendment, see H4630 .	Refile of H.3426 of 2005. Would require DMH to release rights held to waters of Farm Pond in Sherborn and its tributaries and release of easements for pipes used to convey water to former Medfield State Hospital. Sherborn will hold water rights for recreational, water supply and fire protection purposes. 12/03/08 S Read second, ordered to a third reading, read third and passed to be engrossed -SJs 2318-2319
41. H.54 H.4361 H.5010 Chapter 292 of the Acts of 2008	An act authorizing the division of capital asset management and maintenance to lease certain property in the town of Great Barrington. Pignatelli	6/21/07 BCESA public hearing 3/31/08 Committee recommended ought to pass with an amendment, see H4631 .	Re-file of H.4327 of ._. Would authorize the DCAMM commissioner to lease, at fair market value, certain land in Great Barrington to Century Berkshire Cable Corp. to be used for communication purposes. The lease would be for an initial term of 5 years with an option to renew for 2 additional 5 year periods. Lessee would be subject to management and land use conditions. 8/07/08 Signed by the Governor, Chapter 292 of the Acts of 2008
42. H.56 H.4632	An act to begin the process to establish a life care center at Lemuel Shattuck Hospital Scaccia	6/21/07 BCESA public hearing 3/31/08 Committee recommended ought to pass with an amendment, see H4632 .	Re-file of H.1425 of 2005. Would require a study concerning conversion of the personnel building at Lemuel Shattuck Hospital to a long term care facility. 3/31/08 H Read; and referred to the committee on House Ways and Means -HJ 1197
43. H.4351 H.4633 H.4806 Chapter 296 of the Acts of 2008	An Act authorizing the town of Natick to lease property from DCAM. Linsky	1/31/08 BCESA public hearing 3/31/08 Committee recommended ought to pass with an amendment, see H4633 .	Authorizes the lease, at fair market value, of the Natick Armory to the town of Natick for municipal purposes. Lease would terminate on 30 days notice of military necessity from the Military Division. 8/07/08 G Signed by the Governor, Chapter 296 of the Acts of 2008
44. H.4409 H.4562 H.4609 H.4637 Chapter 86 of the Acts of 2008	TRANSPORTATION BOND BILL 1 An act financing improvements to the commonwealth's transportation system.	3/13/08 BCESA public hearing 3/27/08 Committee recommended ought to pass with an amendment, see H4609 .	This is the first part of the Governor's transportation bond bill to be reported. Provides for \$3.515 billion of capital spending authorizations for federal interstate highways, federally-aided non-interstate highways, the state wide road and bridge program, local roads and bridges and several major MBTA expansion projects. The spending authorizations are funded by \$1.623 billion of commonwealth bond authorizations and \$1.892 billion of federal transportation aid. 4/17/08 G Signed by the Governor, Chapter 86 of the Acts of 2008

BILL/CHAPTER NUMBER	BILL NAME, SPONSORS AND AGENCIES	BCESA COMMITTEE ACTION	COMMENTS AND CURRENT STATUS
51. S.32	An act amending the conveyance of a certain parcel of land in the town of Grafton. Brewer	6/21/07 BCESA public hearing 5/12/08 Committee recommended ought to pass.	Re-file of S.2726 of 2005. Would amend chapter 224 of the acts of 2002 relative to the lease of land in Grafton to allow the State Police Museum and Learning Center to purchase the land at the end of the lease term for fair market value. 5/12/08 S Bill reported favorably by committee and referred to the committee on Senate Ways and Means -SJ 1568
52. S.38 Chapter 313 of the Acts of 2008	An act designating certain land in the towns of Acton and Concord for conservation, agriculture, open space and recreational purposes. Fargo	6/21/07 BCESA public hearing 5/12/08 Committee recommended ought to pass.	Re-file of S.2473 of 2005. Would designate parcels of DOC land in the towns of Acton and Concord for forest, agriculture and open space protection, management and conservation, and limited public access for passive and designated active recreation. The department of correction would retain care and custody of the parcels and all operation. 8/14/08 G Signed by the Governor, Chapter 313 of the Acts of 2008
53. S.48	An act authorizing the division of capital asset management and maintenance to convey certain land in the town of Milford. Moore	6/21/07 BCESA public hearing 5/12/08 Committee recommended ought to pass.	Re-file of H.5065 of 2005. Would authorize DCAMM to convey a parcel of unused highway land in Milford to Quarry Stone, LLC. The parcel would give Quarry Stone access to a land-locked adjacent parcel it owns. Would be conveyed at full and fair market value. Note: This bill may become moot since DCAMM is already proceeding with the disposition of this parcel. 5/12/08 S Bill reported favorably by committee and referred to the committee on Senate Ways and Means -SJ 1568
54. S.58	An act authorizing the commissioner of capital asset management and maintenance to convey certain land in the town of Foxborough. Timility	3/19/08 BCESA public hearing 5/12/08 Committee recommended ought to pass.	Would authorize DCAMM commissioner to convey a 1.53 acre parcel of land in the town of Foxborough to Feeling Foxy, Inc. Conveyance would be at full and fair market value. 5/12/08 S Bill reported favorably by committee and referred to the committee on Senate Ways and Means -SJ 1568
55. S.2153 S.2726 Chapter 299 of the Acts of 2008	An act relative to a parcel of land in the city of Lowell. Panagiotakos	8/8/07 BCESA public hearing 5/12/08 Committee recommended ought to pass with an amendment, see S2726 .	Would direct DCAMM to release a reversionary interest retained in a deed from Middlesex county to a church. The deed provided for reversion to the county if the property ceased to be used as a church. The church owner wants to convey the property to another non-profit organization. 8/07/08 G Signed by the Governor, Chapter 299 of the Acts of 2008
56. S.2361 S.2696 Chapter 289 of the Acts of 2008	An Act relative to the leasing of a certain parcel of land in the town of Gardner. Brewer	1/31/08 BCESA public hearing 5/13/08 Committee recommended ought to pass with an amendment, see S2696 .	Would authorize the DCAMM commissioner to lease for a term of up to 65 years a 10 acre parcel of land on the campus of Wachusett Community College to Veteran Homestead, Inc. The property would be used for rehabilitation, counseling, therapy, education and up to 20 units of transitional housing for veterans. Would permit the lease to allow lessee to provide opportunities for BCC student to gain clinical experience in nursing, physical therapy and other medical fields in lieu of paying monetary rent. 8/06/08 G Signed by the Governor, Chapter 289 of the Acts of 2008
57. S.2392 S.2687 S.2705 Chapter 267 of the Acts of 2008	An act authorizing the commissioner of DCAMM to grant easements to the city of Somerville and to convey certain land to Fr Sturtevant Street, LLC Jehlen	1/31/08 BCESA public hearing 5/13/08 Committee recommended ought to pass with an amendment, see S2687 .	Would authorize the DCAMM commissioner to convey to the city permanent and temporary easements and "work rights" and "access rights" in and to certain DCR land known as "Draw 7 Park" in Somerville. The easements and access rights would be conveyed to the city for work in connection with a storm water discharge pipe. 8/06/08 G Signed by the Governor, Chapter 267 of the Acts of 2008

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58. S.2420 S.2794 Chapter 291 of the Acts of 2008	An act authorizing DCAMM to grant an easement in certain land in the town of Holden. Chandler	1/31/08 BCESA public hearing 5/12/08 Committee recommended ought to pass.	Authorizes DCAMM shall, in consultation with DCR, to convey a permanent, exclusive easement of 13.82 acres located in the town of Holden along Route 31. Land is currently under control of DCR and would be transferred to the Worcester Natural History Society. The land is to be used to connect land currently owned by Worcester Natural History Society to the street for access purposes. The Society is required, in exchange, to transfer to the state land or an interest in land of equal or greater value. The Society would be required to pay the state any difference in value, if the interest conveyed by the Society is valued at less than the easement granted by the state. 8/06/08 G Signed by the Governor, Chapter 291 of the Acts of 2008
59. S.2439	An act relative to the financing by the city of Westfield of its portion of public improvements associated with the Westfield pavilion development. Chandler	3/19/08 BCESA public hearing 5/12/08 Committee recommended ought to pass.	Provides for special provisions applying to the issuance of bonds by the city of Westfield to finance its portion of public improvements associated with the Westfield Pavilion development. Allows the city to capitalize interest payment before and during the project and a reasonable time thereafter. Exempts the bonds from the limitation on municipal indebtedness contained in chapter 44, section 10 of the General Laws. 6/04/08 S Read second and ordered to a third reading -SJ 1865
60. S.2470 S.2697	An act providing for the full faith and credit of the commonwealth to certain evidence of indebtedness issued to regional transit authorities. (RTA Bill) Chandler	2/14/08 BCESA public hearing 5/13/08 Committee recommended ought to pass with an amendment, see S2697 .	Would amend section 6 of the regional transit authority statute (chapter 161B of the General Laws) by adding language that would make the regional transit authorities' debt a general obligation of the commonwealth. 5/13/08 S Bill reported favorably by committee and referred to the committee on Senate Ways and Means -SJ 1574
61. S.2474 Chapter 255 of the Acts of 2008	An act relative to the use of a building in the town of Whitman. Creedon	3/19/08 BCESA public hearing 5/12/08 Committee recommended ought to pass.	Amends 2004 legislation that authorized the conveyance of state land to the town of Whitman to allow its use for any municipal purpose instead of only public safety purposes. 8/05/08 G Signed by the Governor, Chapter 255 of the Acts of 2008
62. H.620 (with H.625) H.4723 H.4782	An act establishing a grant program for senior citizens centers. Miceli	4/29/08 BCESA public hearing 5/8/08 Committee recommended ought to pass with an amendment, see H4723 .	Accompanied by H.625. Would establish a consortium to assist municipalities with increasing senior citizen center access through means such as land acquisition, construction, and reconstruction. 05/22/08 H Read; and referred to the committee on House Ways and Means -HJ 1499
63. H.625 (attached to H.620)	An act relative to senior centers. Wagner	4/29/08 BCESA public hearing 5/8/08 Committee recommended ought to pass with an amendment, see H4723 .	Accompanying H.620 (see item 62).
64. H.785	An Act to protect the Right Whale. Kocot	5/21/08 Committee recommended ought to pass.	Establishes a separate fund to be known as the Right Whale Research and Protection Fund to fund purposes that work to diminish fatalities to Right Whales along the Massachusetts coastal waters. Would authorize \$2 million in bond for the fund. 5/02/08 H House concurred -HJs 1401-1402

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65. H.4664 H.4778 H.4949 Chapter 274 of the Acts of 2008	An Act authorizing and directing the commissioner of the division of capital asset management and maintenance to convey certain land in the town of Westport. Rodrigues, Flynn	4/29/08 BCESA public hearing 5/22/08 Committee recommended ought to pass with an amendment, see H4778 .	Authorizes DCAMM to convey a parcel of DCR land in the town of Westport to an individual purchaser. Requires that the conveyance be at full and fair market value based upon an appraisal reviewed and approved by the inspector general. Requires release of the grantee's claims for compensation for real estate taxes paid on the parcel. 8/06/08 G Signed by the Governor, Chapter 274 of the Acts of 2008
66. H.4669 H.4779 Chapter 272 of the Acts of 2008	An act releasing certain land in Deerfield from the operation of an agricultural preservation. Kulik	4/29/08 BCESA public hearing 5/22/08 Committee recommended ought to pass with an amendment, see H4779 .	Authorizes the release of a 0.25 acre portion of an agricultural preservation restriction on certain land in Deerfield that was granted in 1999 and currently owned by Molenaar LLC. In exchange for the release, the state would be granted an APR on other land. The current owner of the property subject to the APR would be required to pay the state any difference in value between the parcels exchanged. 8/06/08 G Signed by the Governor, Chapter 272 of the Acts of 2008
67. H.4670 H.4780 H.5011 Chapter 293 of the Acts of 2008	An act amending the conservation restrictions and agricultural preservations statues. Kulik	4/29/08 BCESA public hearing 5/22/08 Committee recommended ought to pass with an amendment, see H4780 .	Would release a 42,264 square foot parcel of land from a sixty acre APR granted by Charles N. Warner and Jacqueline M. Warner in 1992. The release pertains to land that was erroneously included as part of the 1992 APR. 8/07/08 G Signed by the Governor, Chapter 293 of the Acts of 2008
68. H.4671 H.4781 Chapter 270 of the Acts of 2008	An act authorizing the division of capital asset management and maintenance to grant easements in the city of Somerville. Sciortino	4/29/08 BCESA public hearing 5/22/08 Committee recommended ought to pass with an amendment, see H4781 .	Authorizes DCAMM to grant utility and access easement on DCR land in Somerville to the Somerville Housing Authority and Capen Court Limited Partnership. Easements are required in connection with the development of affordable housing at Capen Court in Somerville. Consideration for the conveyance is the grantees' development of affordable, supportive senior housing. 8/06/08 G Signed by the Governor, Chapter 270 of the Acts of 2008
69. H.4698 Chapter 172 of the Acts of 2008	An act providing the terms of certain bonds to be issued by the commonwealth to finance improvements to the commonwealth's transportation system. Governor	5/28/08 Committee recommended ought to pass.	Specifies term of bonds authorized under Transportation bond bill 1, chapter 86 of the acts of 2008. 7/02/08 G Signed by the Governor, Chapter 172 of the Acts of 2008
70. S.37 S.2838 Chapter 448 of the Acts of 2008	An act conveying certain property in the city of Worcester to community healthlink. Chandler	6/21/07 BCESA public hearing 5/28/08 Committee recommended ought to pass.	Re-file of S.41 of 2005. Would authorize DCAMM to convey a parcel of land and a building on the grounds of Worcester State Hospital to be used by a private non-profit corporation for the purpose of providing mental health services to children and adults in central Massachusetts with serious mental illness. 12/30/08 G Signed by the Governor, Chapter 448 of the Acts of 2008 .
71. S.40	An act relative to town water department access within state highway department property in Cohasset. Hedlund	6/21/07 BCESA public hearing 5/29/08 Committee recommended ought to pass.	Re-file of S.43 of 2005. Would grant the town of Cohasset water department an easement over MHD land for vehicular and pedestrian access to the Scituate Hill water storage tank. 5/29/08 S Bill reported favorably by committee and referred to the committee on Senate Ways and Means -SJ 1846

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72. S.47	An act releasing certain land in Bellingham from the operation of an agricultural preservation restriction. Moore	6/21/07 BCESA public hearing 5/29/08 Committee recommended ought to pass.	Re-file of S.52 of 2005. Would provide for the release of an existing APR on a portion of the land of Richard Ozella in Bellingham. The release would affect a portion of the land that Ozella is using for a restaurant operation and which does not conform to the terms of the APR. DAR opposes this bill. There has been litigation between the state and Ozella arising out of his violation of the APR agreement, which has been resolved in favor of the state. 5/29/08 S Committee recommended ought NOT to pass and referred to the committee on Senate Ethics and Rules -SJ 1847
73. S.49 S.2747	An act authorizing and directing the director of the division of waterways to dredge the harbor area surrounding marina bay in Quincy, Massachusetts. Morrissey	6/21/07 BCESA public hearing 6/2/08 Discharged to the committee on Environment, Natural Resources and Agriculture.	Would direct "DEQE" (old agency name) to dredge the harbor area around Marina Bay in Quincy. 6/19/08 S Discharged to the committee on Senate Ethics and Rules -SJ 1910
74. S.470	An act amending the conservation restrictions and agricultural preservations statutes. Brewer	4/29/08 BCESA public hearing 5/29/08 Committee recommended ought to pass.	Would amend section 23 of chapter 20 of the General Laws (the agricultural preservation restriction statute) to allow private, non-profit organizations that assist in the acquisition of an APR to jointly hold title to the APR with the state. Currently only municipalities may hold title jointly with the state. This BCESA re-draft adds a provision that the state, in all cases, has exclusive authority regarding the enforcement of the APR. 5/29/08 S Referred to the committee on Senate Ways and Means -SJ 1845
75. S.514 S.2718	An act relative to the Ponkapoag golf course. Joyce	1/31/08 BCESA public hearing 5/29/08 Committee recommended ought to pass with an amendment, see S2718 .	Would authorize DCAMM, in consultation with DCR, to lease the Ponkapoag Golf Course in Canton to the town. If the golf course is not leased to the town, the bill provides for bids through RFPs by other potential third party lessees. Would require that current employees be retained. 5/29/08 S Bill reported favorably by committee and referred to the committee on Senate Ways and Means -SJ 1846
76. S.522	An act expanding pleasure boat access to Boston harbor. Morrissey	3/19/08 BCESA public hearing 5/29/08 Committee recommended ought to pass.	Would direct state and municipal agencies and authorities owning or controlling property within the city of Boston identify establish docking facilities for pleasure boats to create greater access for the general public. 5/29/08 S Bill reported favorably by committee and referred to the committee on Senate Ways and Means -SJ 1846
77. S.2589 Chapter 288 of the Acts of 2008	An act authorizing the city of Fitchburg to use certain park land for the Wallace civic center and planetarium and to lease the same to the commonwealth. Antonioni	4/29/08 BCESA public hearing 5/29/08 Committee recommended ought to pass.	Would authorize the city of Fitchburg to use a parcel of land for civic and planetarium purposes. 8/06/08 Signed by the Governor, Chapter 288 of the Acts of 2008

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78. S.2625 Chapter 166 of the Acts of 2008	An act relative to the Kasabuski rink in Saugus. McGee	4/29/08 BCESA public hearing 5/29/08 Committee recommended ought to pass.	Would DCAMM to lease to the town of Saugus the DCR operated Kasabuski Arena. The lease would be for a term of at least 20 years with a 5 year extension at DCAMM's discretion. The rent would be the same as that paid by the town in 2006 and any rent would take into account capital improvements by the town. Sets forth certain required terms of the lease and establishes minimum amount of public skating time per week. Permits sublease of the property for public purposes. 6/30/08 Signed by the Governor, Chapter 166 of the Acts of 2008
79. H.4446 H.4561 H.4847 H.4990 H.5005 H.5054 Chapter 312 of the Acts of 2008	ENVIRONMENTAL BOND BILL An act providing for the preservation and improvement of land, parks, and clean energy in the commonwealth. Governor	3/19/08 BCESA public hearing 6/12/08 Committee recommended ought to pass with an amendment. see H4990	Authorizes \$1.756 billion of general obligation bond funding for programs administered by the various agencies under the Executive Office of Energy and Environmental Affairs. Includes capital spending authorizations for water resource protection, coastal protection, open space preservation and acquisition, agricultural preservation restrictions, park land acquisition, repair of DCR bridges and roadways, the drinking water and waste water revolving loan funds and repairs and improvements to state parks and recreational facilities. 8/14/08 G Signed (in part) by the Governor, Chapter 312 of the Acts of 2008
80. S.1874	An act providing the town of Saugus financial assistance for the replacement of water mains located under certain portions of the state highway Rt. 1 in the town of Saugus. McGee	6/4/08 BCESA public hearing 6/12/08 Committee recommended ought to pass.	Would direct MassHighway to convey to the town of Saugus, for nominal consideration easements for repair of water lines beneath Route 1 in Saugus. Would require MassHighway to pay the town for \$3,500,000 for design and engineering costs. Would also direct the MWRA to make a 20 year zero interest loan to the town for project costs. 6/16/08 S Committee recommended ought to pass and referred to the committee on Senate Ways and Means -SJ 1904
81. S.1896	An act authorizing a governmental body to enter into contracts for the operation and maintenance, lease or sale and modification of water storage and treatment facilities and wastewater treatment facilities, collection and distribution systems, sewers and pump stations. Pacheco	6/4/08 BCESA public hearing 6/16/08 Committee recommended ought to pass.	Would amend chapter 40 of the General Laws by adding twelve sections relative to municipal contracts regarding water storage, treatment, collection and distribution. Would authorize municipalities accepting the provisions to enter into such contracts. Sets forth requirements and procedures relative to contracts and requests for proposals. 6/12/08 S Referred to the committee on Senate Ways and Means -SJ 1904
82. S.2674 Chapter 163 of the Acts of 2008	An act authorizing the department of fish and game to acquire a conservation restriction on lands of the city of Westfield. Knapik	6/4/08 BCESA public hearing 6/12/08 Committee recommended ought to pass.	Authorizes the city of Westfield to convey to the commonwealth a conservation restriction for the preservation and protection of wildlife and habitat and passive recreation and other consistent purposes, in certain parcels of land acquired by the city for water supply purposes. The conservation restriction allows the city to retain the right to use the land as a potential water supply for the city. 6/30/08 G Signed by the Governor, Chapter 163 of the Acts of 2008

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83. S.2676 S.2752	An act affecting certain land in Northampton subject to an agricultural preservation restriction. Rosenberg	6/4/08 BCESA public hearing 6/12/08 Committee recommended ought to pass.	Would authorize DCAMM to convey an easement on a parcel subject to an agricultural preservation restriction. The land is located adjacent to the Northampton State Hospital which is currently being developed. The easement be granted for construction, maintenance, repair and replacement of a storm water drainage and outfall system. 7/09/08 H Read second and ordered to a third reading -HJ 1695
84. H.4813 Chapter 328 of the Acts of 2008	Providing the terms of certain bonds to be issued by the Commonwealth to finance production and preservation of housing for low and moderate income residents and certain other bonds and notes to be issued by the Commonwealth. Governor.	6/4/08 BCESA public hearing 6/16/08 Committee recommended ought to pass.	Sets forth the Governor's recommendations relative to the terms of bonds authorized by the Housing Bond bill, Acts of 2008, chapter 119. See item 35. 9/09/08 G Signed by the Governor, Chapter 328 of the Acts of 2008
85. H.4732 H.4853	An act relative to the disposition of property in the town of Westborough. Polito	6/4/08 BCESA public hearing 6/16/08 Committee recommended ought to pass with an amendment, see H4853 .	Would authorize DCAMM to release a use restriction and reversionary interests affecting parcels of land that the state previously conveyed to the town of Westborough. The release would allow the town to sell the property. The bill would require to the town to pay the state 50% of the net cash proceeds of the sale. 7/30/08 H Read second and ordered to a third reading.
86. S.2411 S.2750	An act authorizing the Massachusetts highway department to grant certain easements in the town of Petersham. Brewer	4/29/08 BCESA public hearing 6/16/08 Committee recommended ought to pass with an amendment, see S2750 .	Would authorize MHD (should be DCAMM) to convey to the town of Petersham a 20 foot easement on the Route 32 right of way. The easement would be used for the construction of entrance ramps and handicapped accessible parking spaces. 6/12/08 S Referred to the committee on Senate Ways and Means -SJ 1904
87. S.2084 S.2550 S.2751	An act to further promote rail trail revitalization of certain discontinued railroad rights of way. Resor	4/29/08 BCESA public hearing 6/12/08 Committee recommended ought to pass with an amendment, see S2751 .	Would amend chapter 21E of the General Laws (relative to prevention of releases of oil and hazardous materials) by inserting references to abandoned EOT rights of way. The bill is intended to facilitate the development of discontinued rights of way as rail trails. 6/12/08 S Referred to the committee on Senate Ways and Means
88. S.2219 Chapter 297 of the Acts of 2008	An act relative to certain easements held by the Commonwealth of Massachusetts & MWRA in the town of Wellesley. Creem	8/8/07 BCESA public hearing 6/16/08 Committee recommended ought to pass.	Would amend an existing easement on town-owned land in Wellesley previously taken by the MDC for water lines. The amendment would exclude a portion of the original easement. Also provides for the abandonment of a second easement granted by the town of Wellesley to the MWRA. 8/07/08 Signed by the Governor, Chapter 297 of the Acts of 2008
89. H.4455 H.4852 H.4993 H.5016 H.5055 Chapter 304 of the Acts of 2008	GENERAL GOVERNMENT CAPITAL NEEDS BOND BILL An act providing for capital facility repairs and improvements for the commonwealth. Governor	2/27/08 BCESA public hearing 6/16/08 Committee recommended ought to pass with an amendment, see H4852 .	The bill authorizes \$3.35 billion of new general obligation bond funds. Provides capital spending authorizations for a variety of areas including health and human services, information technology, public safety, state buildings, certain economic development programs, court facilities, municipal library construction grants, and jails and correctional facilities. 8/10/08 Signed (in part) by the Governor, Chapter 304 of the Acts of 2008

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90. H.4280 H.4538 S.2779 H.2785 Chapter 258 of the Acts of 2008	HIGHER EDUCATION BOND BILL An act providing for the public higher education capital improvement needs of the commonwealth. Governor	11/11/07 Higher Education Committee and BCESA public hearing 4/9/08 BCESA public hearing 6/16/08 Committee recommended ought to pass with an amendment, see S2779 .	Authorizes \$2.19 billion of general obligation bonds. Provides a \$1.19 billion capital spending authorization for the state and community college system. This authorization specifies the projects and amounts that will be funded under a 10 year capital plan for higher education. The legislation also authorizes \$1 billion for the University of Massachusetts system and also includes earmarks for designated projects at each of the UMass campuses. 8/06/08 Signed by the Governor, Chapter 258 of the Acts of 2008
91. H.4743 H.4935 H.4968 H.4972 Chapter 233 of the Acts of 2008	STRUCTURALLY DEFICIENT BRIDGES BOND BILL An act financing an accelerated Structurally-deficient bridge improvement Program. Governor	6/4/08 BCESA public hearing 7/2/08 Committee recommended ought to pass with an amendment, see H4935 .	This bill provides funding for an accelerated bridge repair program. The program is designed to address repair needs for a large number of structurally deficient bridges over the next three years. The accelerated funding of these projects is intended to reduce the costs of repair by avoiding a significant amount of inflation in construction costs. The legislation provides for issuance of \$1.876 billion of gas tax revenue bonds and \$1.108 billion of grant anticipation notes that will be funded by a pledge of future federal highway reimbursements. 8/04/08 Signed by the Governor, Chapter 233 of the Acts of 2008
92. S.2889	An Act designating a certain flagpole at Lawrence Heritage State Park as the Mary L. Girouard Flagpole. Tucker	12/3/08 Committee recommended ought to pass.	Would name a flagpole in the the Lawrence Heritage State Park for one Mary L. Girouard. 1/06/09 H No further action taken